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ORVILLE LOTHROP FREEMAN

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~~MINNESOTA~~ HOUSE COMMITTEE ON EDUCATION AND LABOR.

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U. S. Department of Agriculture
Office of the Secretary

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No Americans, least of all an informed, sophisticated group such as this, need be reminded today of the importance of our balance of payments to this country.

Despite the fact that we are enjoying the longest, strongest expansion of our economy, we nonetheless have had to take measures to check gold outflow and keep the dollar strong.

The President has acted with characteristic strength and decisiveness to protect our short run position, but in the long run the real answer is to sell more American goods around the world. If by selling we can earn enough dollars to balance what we buy from abroad and invest or spend, we free ourselves from the restrictions that today limit our actions no matter how successfully our economy is performing at home.

Today, then, I would like to direct my remarks to the topic balance of payments -- how shippers, farmers and the USDA can help meet this threat to our country's well-being.

In speaking about agricultural exports, I'll keep in mind the college football star who was being interviewed by a professional coach.

"Yeah," the player said, "I'm pretty good. I run the hundred in less than 10 seconds -- on a muddy field. On end sweeps I've been known to block three men out of the play. I consistently punt 70 yards. I pass for 60 yards -- and that's against the wind."

Remarks by Secretary of Agriculture Orville L. Freeman before the Propeller Club of the United States, Mayflower Hotel, Washington, D. C., 12:45 p.m. (EST) Thursday, January 11, 1968.

The pro coach was quite impressed.

"Gee whiz, boy. That's wonderful," he said. "But every player has some weakness. What's yours?"

"Well," said the college player, "I have been known to exaggerate."

But the truth is, I'm not exaggerating when I say that our agricultural exports in recent years have enjoyed phenomenal growth ... growth for which you of the shipping industry deserve a full measure of credit.

Since 1960, we have pushed agricultural exports from an average of \$4.5 billion to almost \$7 billion -- a gain of 51 percent. Commercial exports have climbed from \$3.2 billion to last year's record total of \$5.2 billion. That's 62 percent. Looking back to 1955 the gain has been 115 percent. Agricultural exports in 1967 were enough to fill 6,000 cargo ships or 1.7 million freight cars. That many boxcars would make over five solid freight trains stretching across the country from San Francisco to New York.

Exports of farm products are contributing even more than shipments of industrial goods to our favorable balance of trade -- that is, the excess of total merchandise exports over total imports. Four years ago agricultural exports accounted for only 29 percent of our favorable balance of trade, but currently they are accounting for over 50 percent. That achievement is even more impressive in view of the fact that agricultural shipments make up only 22 percent of total exports.

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This is of crucial importance where balance of payments -- as distinguished from the balance of trade -- is concerned. In the 4 calendar years 1964-67, farm product shipments brought back to the United States the whopping total of almost \$21 billion. In other words, if we hadn't had these agricultural exports our payments deficit -- incurred by expenditures abroad for goods, services, tourism, investment, economic aid, et cetera -- would have been \$21 billion bigger.

The American economy would be in deep crisis today if agricultural exports hadn't reached a record level. But we must -- and can -- do very much better.

An expanding foreign market helps every American farmer. For producers of some commodities, the foreign market is extremely important. For example, in fiscal 1967 two-thirds of our milled rice was exported; over half of the wheat; nearly half of the cotton; more than a third of the grain sorghums, soybeans and tobacco; and more than a fourth of the flaxseed. Nationwide, one out of every four acres harvested goes for export. Unfortunately, the importance of the overseas market, and the realization that trade must move on a two-way street, is lost on many farmers.

Professional protectionists -- including, I'm sorry to say, some members of Congress -- never miss a chance to alarm farmers about imports. They never mention that exports are twice as large as imports or how important exports are to farm income.

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American workers also profit from farm exports. A few years ago, the Labor Department estimated that close to a million farm workers were engaged in producing farm products for export. At least another million must be working in agriculture related pursuits. I'm thinking now of workers such as truckers, railroaders, warehousemen, processors, ginner, stevedores, and merchant seamen.

U. S. industry gains, too. For many American enterprises -- railroads, truck lines, elevators, processing plants, cotton gins, port facilities, steamship lines, and others -- the export program has meant an expansion of business. I might point out that in your area U.S. flag carriers in fiscal 1967 handled over 6 million long tons of farm products moving under P. L. 480 alone -- four times as much as the 1.5 million tons carried in 1955, when the program began. A total of 6 million tons was carried in 1967 in spite of the fact that in that year over 180 liner and tramp vessels were under charter to the Defense Department for Defense needs.

If we understand what accounts for the big upsurge in agricultural exports, we can do a better job of increasing them even faster. Here is what is taking place:

A major factor is the income improvement abroad that is enabling people to eat better. Income improvement is most marked in Canada, Japan, and the countries of Western Europe; but it also is noticeable in such developing countries as South Korea, Taiwan, Libya, Liberia and Jamaica.

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Income improvement almost always means an increase in consumption of livestock products, notably of meat. In the United Kingdom, meat consumption per capita is now 140 pounds, up 10 percent from the late 1950's. In West Germany, the figure is 120 pounds, up 16 percent. In Spain, it's in the 50-pound range -- but a gain of over 35 percent. In Japan, it's only 15 pounds -- but that's twice what it was in the late 1950's.

When people can afford to eat more livestock products, the U.S. exports more grain. Today oil seeds and feed grain exports exceed \$1 billion each. Wheat and flour exports, a large part of which go into food aid, also have an annual export value of over \$1 billion.

Income improvement has directly stimulated sales of other products. Compared with what we exported a decade ago, we are shipping greatly increased volumes of milled rice, fruits, vegetables, variety meats, hides and skins, tobacco and several other products.

A second factor in the upsurge of agricultural exports is the relatively new U.S. effort to promote foreign sales. I say "new" because for most of our years as a nation we sat back and waited for buyers to come to us. All too often they didn't come. Finally it dawned on us that grain, and oilseeds, and cotton, and processed foods, and other farm products must be merchandised in about the same way that automobiles, **appliances**, and other consumer goods are sold. That's the theory on which our cooperative government-private industry overseas market development program has been built.

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Today it's a vigorous program that is helping to take advantage of a growing foreign market. If we hadn't been selling hard and competitively, we wouldn't have been able to increase exports more than 60 percent since 1960.

To date, American goods have been shown in over 200 trade fair and trade center shows. Population centers at which exhibits have been held read like a travel folder -- London, Paris, Cologne, Munich, Hamburg, Berlin, Copenhagen, Stockholm, Madrid, Milan, Rome, Vienna, Athens, Beirut, Bangkok, Manila, Hong Kong, Tokyo, and smaller points. These cities were not selected at random. Shows are presented where the "action" is -- that is, where market prospects are brightest.

In line with that theory, one of our most ambitious promotional exhibitions will be held this year in Japan -- a near-billion-dollar agricultural market, our largest. The big 1968 show, to be called the American Festival, will be held April 5 to 21 in Tokyo. Its indoor space will be as big as two football fields -- and there also will be outdoor exhibits. The featured products will be feed grains, soybeans, wheat, poultry, rice, citrus fruit, raisins, prunes, peaches, fruit cocktail, livestock, leather, and plywood.

Market development takes in other activities, such as in-store promotion, educational programs, advertising, contests, trade contacts, distribution of samples, and trade-sponsored visits of foreign buyers to the United States. It takes in the persistent efforts of U. S. agricultural attaches at 59 posts throughout the world.

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In recent weeks we have been trying plain, old-fashioned direct salesmanship. I refer to the trade teams that went abroad last fall to visit our overseas customers. Wheat teams went to Europe and Latin America; feed grain and soybean teams to Europe; a soybean oil team to Mediterranean and Middle East countries. These teams have completed their missions. In meeting importers, processors, and others in a position to influence buying -- getting acquainted with them and finding out what they want with respect to quality and service -- they have enhanced prospects for future sales. The good results obtained thus far justify new missions that will be undertaken to the Far East within a few days to push wheat, soybeans, and feed grains.

I could cite numerous "success stories" to prove that our overall market development program pays off. But I'll mention only one, and it began in 1960 when we stepped up our wheat promotion in Japan. This was a many-sided operation, which involved pushing U. S. wheat products with Japanese consumers, and also working with Japanese bakers, millers, and grain importers. It included important actions in the United States, where government and agricultural groups were able to secure reduced rail freight rates. The lower rates enabled us to position hard winter, spring, and durum wheat at West Coast ports where they could compete with wheats from Canada and other exporting countries. The result: In fiscal year 1966 Japan bought \$114 million worth of U. S. wheat, and, in fiscal 1967, \$138 million worth. That compares with \$55.8 million in 1960 and is far more wheat than we sold commercially to any other country.

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A third factor -- which requires some qualification -- has been improved access to foreign markets. Without access, we couldn't have tripled our commercial agricultural exports since 1955.

This tremendous increase in exports demonstrates clearly that liberal trade policies are advantageous in the long run. But as a nation we had to learn the hard way. Back in the 1931-34 period, while the very restrictive Smoot-Hawley Act was in effect, U. S. agricultural exports dropped to an annual average of about \$800 million, compared with shipments of \$1.8 billion in the preceding 4 years. As we raised our tariff walls, the countries we were trading with retaliated by raising theirs. Some people today need to be reminded of that bitter and costly experience.

With passage of the Reciprocal Trade Agreements Act of 1934 we began to negotiate lower duties with our trading partners. The General Agreement on Tariffs and Trade, which became effective in 1948, accelerated liberalization. Trade barriers have been progressively lowered in succeeding negotiating rounds, including the Kennedy Round that ended in mid-1967.

But, as I said a moment ago, some qualification is necessary.

Today there is a disturbing disposition on the part of some countries to set aside conventional trade rules -- to go back, as it were, to a rule of the jungle. Unless this trend is halted, the U. S. will be forced to retaliate, and that will mean contracting instead of expanding trade.

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Let me cite a few examples of what's going on.

The European Economic Community has set up a system under which its high-cost production is carefully protected from outside competition by variable import levies. The result, as many predicted, has been the accumulation of commodity surpluses. To dispose of these, the EEC is paying export subsidies out of funds generated from the import levies. Export subsidies currently are in effect on the EEC's hams, fresh pork, lard, poultry, butter, tomato product, and perhaps, by this time, some others.

The canned hams that come into the United States from Community producers are subsidized. So now we are looking into possibilities of assessing countervailing duties on such hams to compensate for the subsidized low prices.

Subsidized EEC products also are disrupting foreign markets in which we sell. Our poultry markets in Switzerland and Greece, for example, have been hard hit by subsidized EEC imports.

The EEC isn't alone. Australia is using a two-price system to cut its selling price of canned cling peaches to compete with us in West Germany. Japan will permit only a trickle of imported citrus fruit to enter -- so grapefruit, which Japan doesn't grow, sells in the Tokyo market for 50 cents to \$1 apiece. Many foreign food safety laws are reasonable; but others are impractical when applied to foreign trade; while still others seem to be aimed at limiting imports more than at protecting consumers. And so it goes.

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The record of this country in agricultural trade has been and continues to be most liberal.

For 35 years we've taken the lead in trade liberalization. U. S. duty rates on dutiable farm products average a modest 9 percent. If the commodities we give duty-free treatment are included -- products such as coffee, cocoa, tea and bananas -- the overall rate is less than 5 percent. When non-tariff trade barriers are compared, the U. S. is among the least restrictive. Our record, for example, is far more liberal than that of the European Community, the largest agricultural importer in the world.

All this isn't to say that protection isn't sometimes necessary. Recently the President sharply increased our restrictions on dairy imports. A 400 percent jump almost overnight made it necessary to act to protect American farmers. A reasonable quota law which shares our growing beef market is necessary. Otherwise we would be a dumping ground for surplus beef from all over the world.

The U.S. must always be ready to retaliate when necessary -- and we have. But only when necessary. It is our purpose to lead the way for more trade, not less. Retaliation is strictly defensive.

We must try to control the ball, to stay on the offense. The team that controls the ball wins the game. If you don't believe it, watch the Green Bay Packers this Sunday.

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We should always be very certain of three things before we act to put on any new control.

-- We must make sure that there is a clear and present need for additional protection;

-- that the protective instrument chosen fits the need;

-- and that the dollars and cents cost of our action in lost exports will not be out of proportion to the benefit it confers on some of our producers. Clearly, if we lose more market outside the U. S. than we protect at home it isn't in the national interest to act.

These are sensible, pragmatic tests.

Last October I said before the Senate Finance Committee:

"If other nations conclude that we are acting in an unreasonable and protectionist manner -- that we are shutting them out of our markets unfairly and without justification -- they are not only perfectly willing and capable of shutting us out of theirs, they are likely to do so."

Remember those "tear-'em-up" skits that used to be played by Laurel and Hardy? Laurel would grab Hardy's hat and stomp on it. Hardy, after registering surprise, shock, and anger, in that order, would rip Laurel's shirt off his back. And so it would go until both were down to their underwear. "Chain retaliation" on the screen is very funny. But retaliation in the commercial trade area is -- believe me -- very unfunny. Its use requires the caution accorded high explosives.

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I want to turn now to the Food for Freedom-P.L. 480 program. This part of the agricultural export program, which accounts for about 25 percent of total shipments, is of special interest to U. S. flag carriers.

Public Law 480 is on sounder footing today than ever before. As amended, P. L. 480 requires that food deficit countries receiving food aid increase their efforts to help themselves by strengthening their own agriculture. It encourages family planning programs to help nations control their exploding populations. It cuts the Department of Agriculture loose from the "surplus disposal" requirement. Food aid requirements are now taken into consideration in our overall production planning.

It is increasingly apparent that food aid, aside from its vital role in the war on hunger, is one of our most important long-range market development tools. Food aid helps needy countries "buy the time" they need to develop economically. Millions of people learn better food habits. Countries that achieve economic development almost automatically become commercial, dollar-paying customers for our farm products. We have seen it happen in many countries -- in Spain, Greece, Israel, Taiwan, and South Korea, to name a few.

South Korea is a new and to me exciting example of what I'm talking about. Just the other day the Rice Growers Association of California and three cooperating mills announced the commercial sale of 200,000 tons of California rice to eleven Korean importers at an f.o.b. value of \$32 million. Delivery is scheduled for the period January-April 1968. This is the largest single export sale of U.S. rice ever reported. South Korea, which is making rapid economic growth, set a new record in fiscal year 1967 with commercial purchases of \$31 million. This one rice deal alone makes it certain that fiscal year 1968 will be still another record.

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Ocean shipping, of course, is an essential link in our overall export program. U. S. flag carriers already are playing a significant role in this vital operation. I am sure that their role will increase in importance as time goes by.

Speaking of ships reminds me of the story about the young lady who was making her first trip on a passenger ship. Her diary of the trip read as follows:

Monday -- Big thrill. I was placed at the Captain's table.

Tuesday -- Spent the morning on the bridge with the Captain.

Wednesday -- The Captain made a proposal to me unbecoming of an officer and a gentleman.

Thursday -- The Captain threatened to sink the ship unless I agreed to his proposal.

Friday -- I saved 600 lives!

As I indicated a while ago, the Department of Agriculture is putting great store by its market development program. Obviously, whatever success the Department has in expanding exports helps the shipping industry. By the same token, whatever the shipping industry does to stimulate business helps farmers and the U. S. balance of payment position. In other words, agriculture and shippers are working the same side of the street. Both must be competitive if we are to lay down our products at the lowest possible cost ... which, in turn, means more sales and more exports.

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I have been impressed by efforts of the ocean shipping industry to increase its efficiency. The growing use of containers, in particular, has enormous significance for the industry -- and for U. S. agriculture. New container concepts, such as lift-on/lift-off, roll-on/roll-off, and lighter-aboard-ship testify to the imaginative research that is revolutionizing ocean shipping.

We of the USDA want to help in any way we can. For example, the Department is sponsoring development of a multi-purpose van container -- a flexible unit which can move fresh fruits and vegetables, as well as frozen and non-frozen perishables, and dry cargo from farm to oversea market. This is a single-unit concept -- all in one compartmented container.

We are working with carriers and related groups to establish container movements of P.L. 480 commodities. For example, it would be desirable to set up container movement of dry milk powder from inland points in the dairy country -- say New York State -- to inland points in Brazil, or bagged commodities from eastern or midwestern milling centers to inland points in Bolivia, via Argentine ports.

Agriculture can help the shipping industry to keep abreast of overseas developments. The United States has agricultural attaches in 59 foreign posts. These officials are ready and willing to furnish your industry with a wide variety of information. The same is true of the Department's research, statistical, and information services in Washington.

Inasmuch as this is my first speech in this New Year of 1968, let me in closing hazard a few predictions on export trade and balance of payments.

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Economic growth is taking place almost everywhere. It can and will be slowed down temporarily by war or natural disaster, but the trend is upward. That will stimulate trade. We intend to get our share.

Our skill in merchandising farm products will grow. That will be a big plus on the side of enlarged export sales for dollars.

Trade barriers? I believe that a civilization smart enough to put men into space, to transplant hearts, to perform other near miracles, will one day learn, as Adam Smith learned almost 200 years ago, that the division of labor among nations makes as much sense as it does in a factory. When that realization dawns, the trading countries of the world will allow comparative advantage to function much more freely than they do today. The protectionist upsurge we witnessed in the U. S. in the last half of 1967 will be checked in 1968.

Our chances of winning the battle against world hunger have improved. That battle won't be won easily -- or soon. But it can be won. We know that now. And because it can be won, it will be won.

Agriculture, with the help of the shipping industry, will become increasingly competitive and will continue to do more than its share in sharply improving the balance of payments position of the United States in 1968.

So let's move into this new year with hope and confidence. We face some serious problems, of course. But as I see it, the favorable factors are definitely in the ascendancy.

Thank you.

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Office of the Secretary

When I received the invitation to address this "Salute to Clyde Ellis" dinner, it occurred to me that the term "salute" was especially appropriate to the man we honor here tonight.

Let me tell you why from deep personal experience I have crouched in many a duck blind with Clyde and never have I seen a man salute more ducks, with more salvos, at longer range and with less effect than he.

Clyde may have been the model for that story of the grizzled, dead-eye hunter who took his grandson hunting with him for the first time. When the first duck came over the old-timer blasted once, twice, three times. As the duck flew into the distance the man watched. Then he turned to the boy and said, "Son, you're witnessing a miracle -- Yonder flies a dead duck."

But that is not being fair. Clyde is a good hunting and fishing companion, and one, incidentally, who can eat more buckwheat cakes than any man alive.

It is just that the old Ellis optimism on occasion leads him to believe that his gun will reach farther and hit harder than any one else's, and then that typical Ellis aggressiveness takes over and he lets go at that far-out duck or goose. So don't go with him if you want to stay hidden in that blind waiting for the sure shot.

Address by Secretary of Agriculture Orville L. Freeman at the "Salute to Clyde Ellis Dinner," Monday, January 15, 1968, at 7:30 p.m. (EST), Washington Hilton Hotel, Washington, D. C.

But Clyde never insisted on sure shots, and that, I think, is a principal reason for the magnificent record of the National Rural Electric Cooperative Association since he took over the helm in 1943, just 25 years ago this month.

He would be the last to agree, but the hand of Clyde Ellis is in the lights that blaze over rural yards that once were dark from dusk to dawn -- five million of them across the land.

The hand of Clyde Ellis is in the steel plant in rural Congaree, South Carolina, and in hundreds of other plants that offer new hope, and new directions to millions of Americans in Town and Country, U. S. A.

His hand is in history's greatest production achievement, that of the American farmers.

His hand is in electric cooperatives formed or being formed in 25 countries throughout the world.

I personally felt his hand this summer when I visited the rural water system at Six-Mile, South Carolina, when I visited man-made Saddle Lake in Indiana, the farmer-owned welding shop in southern Iowa, and the small farmer machinery co-op in Mississippi.

Clyde's hand today is almost everywhere that rural Americans are using their government to help them to help themselves.

That hand is there not only because of the electrical energy it helped to supply, but also -- and I think this is even more important -- it is there because Clyde Ellis and NRECA have made credit a respectable word in government circles.

(more)

USDA 140-68

In a few moments I want to emphasize how powerful an element credit has been and can still be in building America, provided we don't handcuff ourselves.

But first let's take a look at some of the things that NRECA and Clyde Ellis have done since he assumed the leadership in that war-time January 25 years ago.

Some of you may recall that shoes were rationed to three pairs per year, and rationing began on canned goods, meat, fat, and cheese.

The year loomed darkly for rural electric cooperatives.

Sixty percent of rural Americans were still struggling with kerosene lamps and Delco energizers, and materials for line construction were frozen.

Insurance companies were extremely reluctant to write accident and casualty policies covering co-op systems employees.

This was the picture facing Clyde Ellis as the new General Manager of the NRECA. Typically, he charged right into the problems. The first annual meeting of the NRECA membership was called just two weeks after he took over his new job.

By that time 393 of the co-ops and power districts were members and the meeting was a demonstration of strength.

In their official action, the delegates urged that they be permitted to help in the nation's war effort by making more rural electric service available to increase food and fiber production with less manpower.

They needed power for pumping, for lights, for milking, for refrigeration, for irrigation, for welders. They argued that without widespread electrification the farms of America could not possibly produce the sharply increased volume of food and fiber needed at home and abroad to win the war.

Clyde and members of the association pressed this case with Congress, the White House, the administrative agencies and, as Clyde recalls it, with anyone else in Washington they thought might help. Help came. OPM amended the construction freeze order that same month, and insurance, after a bitter struggle, came to the co-ops.

Not every problem dealing with getting rural America electrified in the succeeding years was brought to a successful conclusion by Clyde and NRECA, but it wasn't due to any lack of will or dedication on the part of either.

Marquis Childs, in his book, The Farmer Takes a Hand, put it this way: "Ellis, his staff and the farm leaders behind them bring to rural electrification a devotion so intense it is almost religious in nature. Ellis' drive, coming from many sources in his own background, is the mainspring in NRECA's struggle in behalf of its members."

The cheaper rates (2-cent power in 1968 compared to $4\frac{1}{2}$ -cent power in 1943), the farm lights, the milking machines, rural telephones, the billion-dollar-a-year appliance market, the thousands of productive jobs created are great accomplishments -- magnificent accomplishments.

But there is a spin-off here that stands on its own as a magnificent accomplishment, one that is not measured in miles of lines or numbers of farms. It is the demonstration that the proper use of credit can unleash dynamic forces of development in Town and Country, U.S.A.

The use of government credit was applied to the monumental task of energizing a blacked-out town and countryside, and in one generation it has revolutionized rural life. Today, 98.4 percent of our farms are served by central station electric service.

It resulted in the formation of dynamic rural corporate organizations that have chalked up the finest loan repayment record in the history of banking.

And everyone has profited: country America, small town America and city America, which reaps the benefits of rural production -- and, contrary to the gloomy predictions of those who tried to block REA 35 years ago, the government is getting its money back -- with interest.

Since 1935, \$5.3 billion have been advanced in REA loans; \$1.8 billion have been paid back, plus interest, and -- listen to this -- \$306 million of this has been paid back in advance of the due date.

Total losses on this \$5.3 billion investment in rural America since the program began have been 44 -- not million -- but 44 thousand dollars, involving two co-ops. And one of these was a small co-op off the coast of North Carolina that was wiped out by a hurricane in the '40s.

(more)

USDA 140-68

Now with this dramatic accomplishment before us, I would like to ask you a big question, a question I hope you will think about when you leave here tonight:

Are we applying this blueprint for progress, this primer on credit to the unmet challenges of Town and Country America?

Have we applied it to the 3.9 million substandard homes of rural America?

Have we applied it to the gullied, eroded land?

Have we applied it to the 43,000 small towns that lack a sewer system?

Have we applied it to the 33,000 rural communities that lack a central water system? -- to the farm house -- a house that I have seen -- where water is hauled a mile and stored in a barrel?

I regret to say: We have not. But why?

In large part we have not made optimum use of this important key to improving the quality of American life because of a Federal system that insists on recording loans made directly from a Federal agency to individuals, associations or groups on its books as if they were expenditures from the treasury -- when they are not.

This, to me, is one of the most frustrating paradoxes of our time.

(more)

USDA 140-68

I know of no bank, no business that treats a disbursement of funds for investment, a loan to a creditable borrower, as an operating expense -- but the Federal Government does.

On the other hand, by Federal rules, a loan insured by a Federal agency -- a loan which the Federal Government guarantees will be paid -- is not an expenditure.

But insured loans fall short of Town and Country needs. They usually are subject to the vagaries of the local credit market, to the supply of money at the local bank -- a bank which perhaps has no funds to tie up in long-term investment.

Town and Country community development leaders, with bankable plans for sound projects for solid community growth, need somewhere to turn for funds they can't borrow at home.

Unfortunately, far too few today can turn to the direct Federal loan. They are shut out, their projects cut down by a Janus-like procedure that looks at loans two ways.

This simply doesn't make sense. As any businessman or banker knows -- as all REA borrowers know -- a loan from anyone to anybody for any purpose is merely the temporary exchange of one asset (money) for another asset (notes, mortgages, collateral, and so forth.)

If it is a sound loan, and the borrower conducts a sound operation, the loan will be repaid -- with interest -- and the lender will be restored to his original fiscal position.

In many States and cities of the United States -- and even in some of the so-called "less developed" countries -- the government bookkeepers treat government loans for what they are: capital investments that are self-liquidating, or repayable.

But in the Federal Government we continue to insist -- contrary to common sense at best, and with an almost lunatic fanaticism at worst -- that loans be treated as budget expenditures and loan repayments as receipts, with the net difference charged or credited to the public debt.

In a growing economy, with a growing need for and use of credit, this means that in any given fiscal year loan outlays will exceed repayments of previous loans. This in turn means -- under present practices -- a net charge to the public debt, which it should not be. The end result is an artificial constraint on the total availability of government credit in any given fiscal year.

I had hoped that the Commission on Budget Concepts appointed by President Johnson last year would resolve this problem for us once and for all. Their recent report did address itself to Federal lending at some length -- but their recommendations stopped short of advocating a basic change in the bookkeeping.

They recommended that the Federal budget at least separate loans from other expenditures -- so that the public can see the subtotals. And they would show the net difference between loans made and loans repaid. But they would still add that "net" difference to the grand totals for the Budget and charge (or credit) the difference to the public debt.

Losses on loans, interest differentials, would be carried in the operating expense part of the budget, not the lending part.

So the fundamental problem remains -- though recommendations of the Commission will help improve the debate somewhat by highlighting the numbers a little more clearly.

But I propose that we stop debating. I propose, and I urge every one of you here tonight to propose, that we eliminate this handicap to development now, that we change this archaic bookkeeping system so that out national growth will be helped, not hindered.

If you have any doubts about what can be done with the direct loan, I call your attention once more to the repayment record under REA, and to the gains of Clyde Ellis and NRECA under this program and for this Nation.

Please don't misunderstand me -- I am not pessimistic. There is exciting progress in Town and Country U.S.A., but it is progress in halting steps when measured against the task -- progress that should come in giant strides, and that could come in giant strides if we took out of our boots some of the lead weights that we ourselves have put there, and started realizing the great potential of government credit.

Everyone here is aware that one of the greatest problems this Nation faces is rural-urban imbalance. We have permitted people to be literally driven by economic necessity to the big city, all too often into the ghettos. This very night the people-space equation cries for attention as we search for a national policy for rural-urban balance rather than continuing to squeeze more and more people onto less and less space.

(more)

USDA 140-68

But as I said, all is not bleak. There is reason for cautious optimism that an important change is beginning.

Efforts by Clyde Ellis and NRECA, the USDA and millions of people all over this land to build up Town and Country U.S.A. appear to be getting some results.

A recently-released Census study shows that on a percentage basis, the growth of metropolitan areas -- that is cities of more than 50,000 and their surrounding territories -- is slowing, while the percentage growth of non-metropolitan areas -- Town and Country -- is increasing.

Metropolitan areas are still growing faster than non-metro areas, but the gap is narrowing.

It is also significant that new jobs in cities of under 25,000 have been increasing at a faster rate than in large metropolitan areas over the past few years. In the decade of the 50's, new jobs in these small cities and rural areas, grew at about 2 percent a year -- about the national average. But from 1962 to '66 employment grew at about 4 percent a year, higher than the national average and that of metropolitan areas.

In the 1950's, Town and Country had about 17 percent of the Nation's job growth. In 1962 to '64 this grew to about 25 percent -- up about half.

Increasing activity by local leaders in self-help programs shows up dramatically in the expansion of USDA Town and Country programs.

Funds to build the basic water and sewer facilities a community needs to attract industry have gone from less than \$1 million in 1960 to \$22 million this year. The number of people helped each year has grown from 20,000 to more than a million.

Loans for private homes, migrant labor housing and Senior Citizen housing have increased 13-fold since 1960, from about \$40 million to more than half a billion dollars a year.

Since the passage of the Economic Opportunity Act in 1965, some 45,000 individual and group loans, totaling \$96 million, have gone directly to the poor, giving these families a means to raise their incomes.

In the Department, we're integrating conservation with economic development through Resource Conservation and Development projects. Seven years ago we did not have one such project in the United States. Now, 41 have been approved for planning and operations embracing 100 million acres -- an area almost the size of Iowa, Illinois and Wisconsin combined.

Each of these projects conserves natural resources in an integrated, well-planned manner; each brings jobs to local communities, conserving the human and economic base of rural America.

Seven years ago there were 312 Watershed projects approved for operations; now we have 827. Multi-purpose projects have increased from 95 to 439.

Since the advent of Greenspan in 1963, the Agriculture Department has been able to make 139 grants in 27 States to set up parks, wildlife sanctuaries, hunting areas and water-based recreation. We have loaned \$61 million to rural communities to develop outdoor recreation areas that add to the attractiveness of the community and encourage the location of new business and industry.

This then is the vision of Clyde Ellis now proving itself.

Clyde's perspective of the future and his forceful leadership is helping to make his visions realities brings to mind this quotation:

"A vision without a task

Is a dream.

A task without a vision

Is drudgery.

But a vision and a task

Are the hope of the world."

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JAN 29 1968

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Fortunately for America -- rural and urban -- today is for Clyde Ellis commencement day, not graduation day. Fortunately, for all of us, he will continue to be Mr. Rural Electrification, still taking those optimistic, aggressive long shots: I close my part of this testimonial program tonight by announcing that Clyde Ellis has accepted an appointment to my staff. He will serve as a special consultant to the Secretary of Agriculture with special emphasis on building Town and Country U.S.A. so rural-urban balance can become, like rural electrification, not a dream, but a reality.

Clyde, welcome aboard.

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USDA 140-68

U.S. DEPARTMENT OF AGRICULTURE
Office of the Secretary

A week ago today I met with a group of state executives of the National Rural Electrification Association and one of them gave me a small coin.

Stamped on one side is the legend: "70 percent of the people live on 1 percent of the land," and the other side reads, "There is room in rural Virginia."

I can't spend that coin; it won't even fit a parking meter. But I kept it because to me it is a symbol of the new approach, the aggressive outlook that is beginning to spark Town and Country America.

Main Street and the crossroads are becoming increasingly aware that they do fit in the rapidly changing American scene, that perhaps they hold the only key to the American dream of opportunity and choice for all, and, most important, that they should do something about it, and that they can do something about it.

For too long, it seems to me, Town and Country U.S.A. has been in the situation of the country preacher who had applied for the pastorate of a city church.

The parishioners and the church board met to discuss hiring him. The parishioners were concerned because they had heard that the preacher was an independent, strong-willed guy who might want more money than they were willing to pay.

Address by Secretary of Agriculture Orville L. Freeman at the Legislative Conference of the National Association of Counties at 11 a.m. January 22, 1968, in the Marriott Motor Hotel, Arlington, Virginia.

"Don't worry on that score," advised the board chairman. "You keep him humble and we'll keep him poor."

That coin I showed you -- that little advertising gimmick blowing the horn of rural Virginia -- says that Countryside U.S.A. is no longer humble; it says it is no longer content to be poor.

It says that more and more local leaders have had the courage and the energy to go after the things their community must have if it is going to live and grow, if it is going to keep its older people and attract the young.

And these leaders -- these prime movers in Milledgeville, Georgia; Centerville, Iowa; Hearne, Texas and hundreds of other towns -- are getting results.

New studies, new figures since I addressed your National Convention in Detroit last August are exciting testimonials to this fact. Things are happening. There is reason for encouragement.

A recently-released Census study points to a slow-down in the migration pattern from countryside to big city.

It shows that on a percentage basis, the growth of metropolitan areas -- that is cities of more than 50,000 and their surrounding territories -- is slowing, while the percentage growth of nonmetropolitan areas -- Town and Country U.S.A. -- is increasing.

It is true that metropolitan areas still are growing faster than non-metro areas, but the gap is narrowing.

(more)

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Nationwide, new jobs in cities of under 25,000 increased at a faster rate than the national average from 1962 to 1966, the latest figures available.

In Tennessee, for example, a state roughly half rural in 1960, net out-migration has been definitely reversed. A report from the University of Tennessee's Bureau of Business Research shows that in the decade of the fifties, 59 rural Tennessee counties -- out of the 96 counties in the state -- showed a net population loss.

But from 1960 through 1965, 84 Tennessee counties, most of them rural, had a population gain.

And the analyst who made the study laid the migration turnaround directly to the growth of industrial jobs within rural and medium-size counties.

This is what we have been talking about for seven years in the Department of Agriculture when we have been talking about rural-urban balance: The pure and simple proposition of putting opportunity into the countryside where we have space, where there is no congestion, where there is still time to work out a people-space equation that makes sense, an equation that holds out the chance for a reasonably gracious life for 300 million or more Americans by the year 2000.

And those new signs of progress toward that goal which I have listed bring us to what is, to me, the most crucial aspect of the missionary movement for Town and Country U.S.A. I want to talk about that for a few minutes today.

(more)

USDA 214-68

We have, I think, alerted the nation to the suicidal implications of rural-urban imbalance.

Thanks to leaders like yourselves, to dedicated local citizens, to a concerned Administration and a sympathetic Congress that has provided some basic tools, there is action in the countryside.

Too little by far, when measured against the challenge of providing a place for at least 100 million new Americans in 32 years, but a start has been made. You need only to travel in Town and Country U.S.A. as I did much of last summer to see that there is momentum there, and that it is gaining.

But I am here to tell you that if we do not act now to harness this momentum on a regional basis within a national framework, we will repeat the mistakes that were made 50 years ago.

That was the year in which this nation became more urban than rural, the beginning of a 50-year uncoordinated, unplanned march to the cities, a march that has brought congestion, strife and despair to far too many metropolitan areas, and that has left too much of Countryside America with no choice but the welfare check or the trip to the ghetto.

Your television screens last summer bore the perfect picture of this -- the picture of man driven by forces beyond his control, of man who had let change occur as it would instead of choosing the changes that he wanted to occur and then doing something about it.

(more)

USDA 214-68

I, for one, do not believe the picture of man driven is any more valid than that of man driving himself -- where he wants and how he wants.

I believe that Town and Country U.S.A. today has a chance to take the driver's seat to shape its future and to choose its role in solving the nation's people-space dilemma.

The answer lies in the knowledge that in a nation of accelerating change, shrinking distance and expanding communication, the road put here, the airport there, the plant on the outskirts of town "X" affect the entire region, and for generations to come.

It means that today's decision will be more important tomorrow and the day after tomorrow as more people compete for living space and working space on a finite land.

It means planning is necessary.

And it means planning as thorough and as comprehensive as that of the small boy who stood with his father in front of the lion's cage at the zoo.

As they watched the beast pace behind the bars, the tyke tugged his father's hand and asked: "Daddy, if that lion gets out of his cage and eats you up, what bus do I take home?"

I am happy to report that there are people in Town and Country and in government at all levels who are acting against the lion of disorganized development.

(more)

USDA 214-68

In the Department of Agriculture we are integrating conservation with economic development through Resource Conservation and Development projects.

Seven years ago, we didn't have one. Now 41 have been approved for planning and operations embracing 100 million acres -- an area almost as large as Iowa, Illinois and Wisconsin combined.

Each of these projects is designed to conserve and to use resources -- material and human -- in an integrated, well-planned manner.

The Department, as you know, has set up Technical Action Panels in every state and most of the counties to match technical resources with community needs.

We are prepared to establish Technical Action Panels in every development district in every state.

The Extension Service has been assigned a "John the Baptist" role in helping to identify problems on a multi-county basis and in preparing the way for organizing area people around area problems.

We are now canvassing the states to find how many are moving toward the multi-county base for planning, for development and for use of governmental services. Of the first 24 to report, 17 already are well on the way toward multi-county programs or have them under serious study.

Georgia, for example, is divided into 17 planning and development districts, each functioning for its own multi-county area under the umbrella of a State Planning and Development Commission that works for all.

Governor Hughes of Iowa has called for the administration of state programs of planning and major public services on a multi-county basis.

Rural, town and country multi-county systems are emerging in such disparate areas as central Tennessee, central Colorado, upper New England, northern Arkansas, eastern Mississippi, northern Michigan and many other sections of Countryside U.S.A.

These things are heartening, but they are not enough. Until we can say that the regional approach obtains from Hawaii to Maine and from Alaska to Florida, we are selling short our efforts to revive the countryside, our efforts to make this a Nation whose citizens have the chance for a choice of where and how they want to work and live.

In my opinion the process to follow is really quite simple. First we must find out what we want. Then we must find out how to get it; then, and only then can we begin in earnest to bring about the changes that must be made to get what we want.

If this is true -- and I am convinced that it is -- there is a piece of Legislation in the Congress today that, in the long run, could well be the most important of this session, or any other session.

I am referring, as you may have guessed, to the Housing and Urban Development Act of 1967 reported last November by the Senate Committee on Banking and Currency.

(more)

USDA 214-68

And I am referring specifically to some basic changes that this bill would make in the Section 701 planning assistance program of the Federal Government.

I am pleased that your organization has supported the amendments proposed by the Administration, for if we ever needed a pathway to more effective planning and to more effective administration of Government services, we need it today. Because regional planning, at best, is difficult; at worst, it is a nightmare of overlap, confusion and jealousy.

I will be very frank. I believe that local government in this nation is going through a crisis period. It is true of the great metropolitan complexes and it is true of the smaller counties, cities and towns.

There is a proliferation of independent jurisdictions across the land.

In the farm state of Iowa, for example, economists at Iowa State University say there are from 20 to 25 separate governmental units in every county. That means for a development district of 10 counties at least 200 governments, each with its own taxing power, in addition to the governments of the 10 counties themselves.

This can't help but mean, on the one hand conflict between and among projects sponsored by different jurisdictions, and, on the other a great deal of time-wasting and money-wasting duplication.

(more)

USDA 214-68

You who are on the "firing line" are more acutely aware of this than I.

We all know that financial starvation and inadequate tax bases haunt virtually every city and county official in the country.

And we have all seen within local areas -- rural and metropolitan -- sharp, clear contrasts between progress and poverty. Affluent megalopolis has its ghettos; town and country America has its marginal farms and its crumbling rural towns.

County government and municipal government must mobilize the resources and, just as important, the administrative tools to cope with these imperative problems.

It is important to every county and to every municipality that it have the capacity to act responsibly toward the delivery of State and Federal programs and toward any proposal of private enterprise.

It is important to every county and to every municipality that it be in a position to cooperate with its neighbors to solve the broad problems, the crucial issues of economic growth, transportation, schools, jobs, health, welfare, making the most efficient use possible of all too scarce resources.

This is important to all, but to the 1,800 counties that by last count had less than 25,000 population, it is more than important, it is a matter of survival.

The 701 planning legislation before the Congress will be a major step in promoting and encouraging this kind of cooperation, and that is why I feel so strongly that it must have the particularly wholehearted and active support of every person who believes in Town and Country U.S.A.

Very briefly, this bill sets up a new category of primarily rural districts which can get Federal "701" planning help.

It defines district as one or more counties and one or more other local government units, to be designated by the state governor, and it authorizes at least \$20 million in the HUD budget for grants to state planning and development agencies or other agencies designated by the governor to finance planning in the districts.

It provides more federal technical help to get district planning programs started and it broadens the concept of this planning to emphasize people as well as land in every district plan.

There is no intrinsically new idea in this. Most states now have some type of legislation that permits local jurisdictions to get together to plan for their common future.

But the 701 amendments provide the national framework and the fiscal muscle to give even the most destitute regions the opportunity, if they will see it and seize it, to shape their own change rather than to let change shape them.

I can think of no other legislation that has more potential for this nation. I urge each one of you when you get home to solicit a resolution of support from your own county board and to send it to your congressmen.

But a word of warning: While we must, in my opinion, put our utmost effort into long-range, comprehensive planning for rural-urban balance, for the proper and most efficient use of resources for people, we must at the same time continue and even increase our effort to correct the ills that cry for immediate redress in Town and Country America this very day.

We cannot concentrate on the vision of 10 years hence to the exclusion of the 14 million rural poor of today.

We can't abandon the farm boy who is ready to enter the labor force and finds 176 of his fellows competing with him for every 100 jobs that are open in agriculture.

We can't forget that 43,000 small communities lack a sewer system and 33,000 lack a central water system.

We must remember that Americans still are leaving Town and Country at the rate of more than 100,000 a year, and that they will continue to do so until they can find the jobs they need, and the social and cultural opportunities they seek.

(more)

USDA 214-68

So we must be aggressively active now, using whatever help can be mobilized to do what we can to renew and rebuild Town and Country U.S.A.

-- to offer what economist Barbara Ward has called "the instant breath of hope" to the discouraged merchant, the jobless farm hand, the frustrated farm boy.

And as we deal with today's problems, we must have our sights on tomorrow -- 10 years, 20 years, the year 2000 -- for if we do not think about the future we will never, and I mean never, have it in our power to control it.

So we must do two things at once: Plan intelligently for tomorrow and act vigorously for today. I think we should approach both bearing in mind these words of Buckminster Fuller:

"In looking forward to the year 2000, it is not the Buck Rogers details which are important, but whether the world will be a good place for our children and grandchildren."

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MAR 20 1968

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Four years ago I had the privilege of speaking at your annual meeting, and I talked about the need for all of us to work together to provide more opportunity in rural America.

At that time, I called upon the cooperatives to provide leadership and incentive to get the people of Town and Country U.S.A. to use their own energy, their own ideas and whatever resources of government could help to fight back against the economic erosion of rural America.

I am going to talk about that again today, and I am going to repeat what I said four years ago: That there is no magic formula for ending rural poverty, for providing jobs for Town and Country Americans displaced by the technological revolution in agriculture.

But I can tell you today that there is a formula -- not magic, but a formula -- that is proving itself in Grandview, Indiana; Hearne, Texas; Centerville, Iowa, and hundreds of other communities like them across the Nation.

It goes something like this: People like yourselves and other local leaders, plus courage, determination, energy and imagination, plus the active interest and help of Federal, State and local government equals increasing opportunity in Countryside U.S.A.

Address scheduled for delivery by Secretary of Agriculture Orville L. Freeman at the 14th Annual Meeting of the National Telephone Cooperative Association, Washington, D.C., 2:30 p.m., Wednesday, January 31, 1968.

If we keep at it, if more and more of us apply it with more and more determination, it can equal the end of economic and cultural inequity for rural America, the end of the disillusioning march to the cities for too many people. And perhaps even a return to the countryside for many who would rather live there but can't because there is no job, no place for them.

Let me give you a few testimonials -- and to me they are exciting testimonials -- to what this formula has done.

A recently-released Census study shows a slow-down in the National migration pattern from country to big city, an exodus that has taken 20 million persons from the countryside to metropolis in less than 20 years.

It shows that on a percentage basis, the growth of cities of more than 50,000 and their surrounding territories is slowing, while the percentage growth of Town and Country U.S.A. is increasing.

From 1960 to 1965, population growth in metropolitan counties dropped from the 2.4 percent yearly rate of the '50s to 1.7 percent. In the same period, the growth rate in non-metro counties more than doubled, from one-half of one percent to 1.1 percent.

True, metropolis is still growing faster than Town and Country, but the gap is narrowing.

What is closing the gap? Jobs.

(more)

Nationwide, new jobs in cities of under 25,000 increased at a faster rate than the national average from 1962 to 1966, the latest figures available.

The increase for Town and Country during that period was 4 percent per year, double what it was in the '50s.

It is significant to me that a private survey showed that from 1957 to 1966, North Carolina, Tennessee and South Carolina ranked second, fourth and fifth, respectively, among all the states in the number of new industrial jobs created.

And what this means to a state and its people is clearly evident in a report from the University of Tennessee's Bureau of Business Research.

The Bureau found that in Tennessee, a state roughly half rural in 1960, the net outmigration from rural counties that had occurred during the '50s, had been reversed in the '60s.

And the analyst who made the study credited the turnaround to the growth of industrial jobs within rural and medium-sized counties.

These milestones on the road to rural-urban balance, and many others involving many communities in many states, indicate progress, encouraging progress.

(more)

But when I consider that more than 100,000 persons a year still are being driven, by economic push or pull, to cities already congested, polluted and torn by discord, cities running as fast as they can to stay as close behind their problems as possible, I know it is not enough.

When I measure the gains we have made against what must be done, against the magnitude of preparing a place for at least 100 million more Americans in 32 years -- and all of them expecting, and deserving, the chance to live and work where they choose -- then I realize we are taking small steps where we need, and need desperately, to take giant strides.

I realize not only that those of us who are working to give those 100 million new human beings a chance for a choice must redouble our efforts, but that we must also have the keen interest and active participation of every concerned American.

And I think we are beginning to get it.

There is, I am pleased to say, a growing appreciation in industry of what the countryside has to offer, and a growing awareness of the suicidal national consequences of ignoring it.

I met last September with 25 of the Nation's top industrial leaders and development planners, and I was amazed at their interest in rural and small town America, and at what some of them already had done to disperse their operations to the countryside.

(more)

I spoke at the conference of the National Industrial Development Research Council in November and found the group receptive to the idea of considering the countryside when they face decisions on industrial expansion.

More than 300 persons from all walks of life and all corners of the Nation spent almost two full days here in December -- talking, listening, asking questions about the future, about what must be done to provide the chance for a life of quality and dimension for 300 million Americans in the year 2000.

There are hopeful signs that this meeting, sponsored by five other Cabinet officers and myself, will achieve its purpose: that of sparking a national dialogue on planning for the future.

The Congress is stirring.

Legislation has been introduced to provide incentives for industry to locate outside metropolitan areas.

Pending in the House Committee on Interstate and Foreign Commerce is a Senate-passed joint resolution establishing a Presidential Commission on Balanced Economic Development, empowered to conduct hearings and required to issue a report in two years.

(more)

The Senate Committee on Banking and Currency last November reported the Housing and Urban Development Act of 1967, an act that contains planning amendments crucial to the solution of the people-space dilemma because they will expedite planning on a regional basis within a national framework.

And just last week, a resolution was introduced in the Senate that would provide for an analysis and evaluation by the Joint Economic Committee of Congress of almost every aspect of rural-urban balance, of the social, economic, political, demographic and geographic aspects of industrial development.

So the word is going out; the thought is spreading that we as a Nation need not let change occur, but that we can make our own changes, if we have the will to do it.

Perhaps I have dwelt overlong on what has been accomplished in rural-urban balance when so terribly much remains to be done, but I wanted to nail down the fact that there is momentum there, and that we must give this momentum the rocket thrust to carry us into the 21st century at ease with our environment, and with each other.

That means wholehearted support for every local effort at sound development. It means missionary zeal for the whole concept of the development of Town and Country U.S.A., and it means vigorous support for every measure that will help to make this concept a reality.

(more)

I invite your special study of the Telephone Bank Bill, H.R. 12066, now in the Congress. This bill is designed to get on with a crucial aspect of building equality of opportunity in rural America, that of extending the lines of communication to all of the people in all of the land.

The record since the REA Telephone Program began in 1949 is a remarkable record: From only 38 percent of our farms with telephone service of any kind to 80 percent as of last Dec. 31.

But that leaves 20 percent, the residents of more than 600,000 farms, plus more than 2 million in nonfarm rural homes and business places standing, hat in hand in the face of any opportunity for economic development, without being able to offer what industry must have -- communications.

Without telephones there would be no Storrs Wood Products plant operating today in the woods and pastureland near Evanston, Indiana, providing 75 steady jobs and 400 part-time jobs for farmers cutting, sawing and hauling timber in the field.

Without telephones, U.S. Plywood-Champion Papers, Incorporated, would not be building a \$7-million-dollar flakeboard plant in the forest north of Oxford, Mississippi, a plant that will employ 300 persons and supply area farmers a 130,000-cord yearly market for pulpwood.

(more)

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And without telephones, 20 percent of our farm residents are being cut off not only from one of life's amenities, but from the chance to compete on equal terms for economic improvement.

You and I know that to expand rural telephone systems to these people and to provide efficient service to all subscribers will require a source of financing beyond the REA telephone loan appropriations, which have provided more than \$1 billion for the progress to date.

The Telephone Bank Bill is designed to do this.

It states as the policy of Congress that growing capital needs of rural telephone systems require the establishment of a bank to furnish supplementary financing and that this bank will become a privately owned, operated and financed corporation.

In our testimony before the Agriculture Committee, which reported the bill favorably, we estimated that REA telephone borrowers will need more than \$3 billion of new capital within the next 15 years, more than double the total of REA phone loans the past 15 years.

Within the next 10 years, the annual loan requirements of the program will reach \$225 million, almost double the total last year.

Clearly, with the diverse demands upon the Federal Treasury, new sources of capital funds at usable interest rates must be developed if these telephone fund needs are to be met.

(more)

And let me right here comment on two aspects of this situation that to me are nonsensical, unnecessary stumbling blocks to improving the quality of American life.

I am referring to the belief that still prevails among many that the government "gives" money to cooperatives with which to build telephone and electrical lines, and to the horse-and-buggy Federal rules that insist on recording direct capital loans as if they were expenditures from the treasury.

The truth is: Nobody "gives" the co-ops their capital, and the loans are not expenditures.

The only "gift" involved in Federal REA loans is the difference between the 2 per cent interest rate, set by the Congress in 1944, and the cost to the government of the money it borrows.

The money advanced is a loan, an investment in a better life for people in Town and Country U.S.A., and I submit that no bank or any other financial institution has ever made loans for a better purpose or with a better repayment record than that of REA.

And no subsidy so small as that difference in interest has ever achieved benefits so great for this Nation.

Nonetheless we continue to insist, in the Federal government, that the loan itself--the disbursement of funds for investment--is an operating expense.

(more)

No bank, no business keeps books that way, but the Federal government does, and the end result is an artificial constraint on the total availability of government credit, credit that is perhaps the most important tool we have in the effort to revitalize Town and Country U.S.A.

So you in the telephone cooperatives have had to seek another source for the funds you must have to meet your expanding needs. The result has been the proposals embodied in H.R. 12066.

Under it, the financial structure of the telephone bank would include:

Capital subscribed by the United States which ultimately would be replaced;

Capital subscribed by borrowers and those eligible to borrow from the bank;

And funds received from the sale of debentures in the private money market to an amount not to exceed eight times the paid-in capital and retained earnings of the bank.

The Federal government would furnish capital to the telephone bank at a rate of \$30 million yearly from repayments on outstanding rural telephone loans until the total reached \$300 million. The bank would pay 2 per cent per year on that money.

(more)

Two types of loans would be available to both co-ops and private systems that have previously received 2 per cent REA loans.

The first, to be made until June 30, 1982, would carry interest based on the market yield of government notes with similar maturities, but not to exceed 4 per cent.

This program would be available only to borrowers unable to reach the objectives of the rural telephone program while paying higher interest.

The second type of loan would be made at rates reflecting the cost of money to the telephone bank.

And the legislation, of course, provides for a continuation of the 2 per cent REA loan for those systems that still need it.

The telephone bank bill to me typifies the initiative of the people in the rural telephone cooperative leadership. It is direct testimony of your determination to overcome any handicap, in the drive to bring to every American, wherever he may live, an equal chance for a decent life.

I commend you for what you have done to enhance the quality of living in Town and Country America.

The signs of revival in Town and Country and the growing interest in that revival which I have mentioned today are the result in no small measure of things that each of you has done.

(more)

It has not always been easy, nor will it be in the days ahead.

But as you recall the battles won, the battles lost, and the battles still to come, I commend to you these words of Franklin Roosevelt, spoken 30 years ago:

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

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Testimony of the Honorable Orville L. Freeman
Secretary of Agriculture
before the
House Committee on Education and Labor
January 16, 1969

Last week I told the Senate Select Committee on Nutrition and Human Need that I was making my last appearance before a committee of the Congress as Secretary of Agriculture when I testified before them.

But here I am today testifying before this committee.

Apparently a Cabinet Officer -- to paraphrase the description of another type of public servant -- never dies, he just testifies away.

I shall always welcome the opportunity to testify on measures to end hunger and malnutrition, regardless of circumstances; and I welcome especially the opportunity to support the proposals -- H.R. 515 and H.R. 516 -- being considered today by this Committee. The latter would make available \$100 million a year for three years from Section 32 funds to provide free and reduced price meals to needy children, and the former would greatly strengthen the Federal-State framework through which the Child Nutrition Program operates.

Both of these bills are essential to maintain the momentum in the child nutrition programs achieved by the passage last session of H.R. 17872 and H.R. 17873 by the House. Both bills were recommendation of this Committee which I supported then as I do their counterparts today.

While the Senate, in its wisdom, did not enact those bills last session, the action of the House did lead to an additional \$50 million from the Appropriation Committee conferees -- \$5 million more for the regular School Lunch Program, and \$45 million to reach additional needy persons with special emphasis on needy children.

Because of this action, another 1.7 million school children who need free or reduced price breakfasts or lunches will be getting them for the first time this school year. Thus, where we had funds to provide this assistance to 2.5 million children, we now will be reaching over 4 million.

There are still another 2.5 million children who also need free or reduced price lunches or breakfasts, but who will not get them this school year. With the funding and authority provided in the bills under consideration by this Committee, we will continue to serve the children we are reaching today with better nutrition, and can reach those next year who are beyond our help today.

The breakthrough which the 1.7 million increase in children receiving free or reduced price lunches represents, began with the hearings before this Committee last May into the problems of hunger and malnutrition among America's poor.

I was privileged to testify at that time, and I would like to report now on the progress achieved since then, and recommendations to sustain this progress not only in the child nutrition programs, but also in the family assistance programs -- the food stamp and the commodity distribution programs.

Last May we were nearing the conclusion of a project to bring a food assistance program to each of the counties which ranks among the 1,000 with the lowest per capita income. Our target had been the more than 330 of these counties which did not have a food assistance program.

Recognizing that Congress had authorized the Food Stamp Program as a joint Federal-State effort -- and the Commodity Distribution Program had always been operated on this basis, I went to the Governors first, and then sent my people to talk with their State counterparts to enlist their support. We told them we would, if necessary, assist these counties to meet the administrative cost of the Commodity Distribution Program. Then, together, the USDA and State staffs went to local government boards, councils, and commissions to get their support and cooperation.

It was, and is, a hard, leather burning, often frustrating business; but it is the only way to make the Federal system do the job of serving people. And it doesn't always work perfectly. Of the 1,000 lowest income counties, after all the routes of State and local persuasion were exhausted, and over 180 counties had accepted the offer of help, I was left with no option but to operate a commodity program directly in 49 counties. Otherwise, the poor in these counties would not get the food assistance they clearly need.

We are now left with about 480 counties and independent cities where no food assistance program is available. Many of these are among our wealthiest counties, and most of them lie in the plains and mountain

States of the Middle West. The question now is how do we get them into the program. I have been working for the past several months on a plan to bring a food assistance program into all the remaining areas. So long as one person is hungry and cannot afford the food he and his family needs, then all of us -- singly and together -- share a responsibility for his welfare.

In developing a plan to give complete coverage to the family food program, I have been reluctant to supplant local authority. I also have felt it is hardly appropriate to reward those who have denied assistance to the poor by offering to pay the administrative cost of operating the commodity program. If we do that for the more wealthy counties not in the program, the likely reaction of the other counties which have been willing to pay the cost of administration will be to demand similar treatment.

Considering all of these restraints, I have under consideration a plan to share local administrative costs with all counties -- or with States where these programs are operated by the State -- on an equitable basis. It calls for a sliding scale that will provide a range of payments -- 20 percent to over 90 percent -- depending on the number of persons in households with poverty incomes and the per capita income rank of the county.

To be eligible for this assistance, each county will have to submit a proposed plan of operation, detailing such facts as the number of commodities to be distributed, the number of distribution centers to be established, special distribution plans -- such as truck delivery for the elderly and

disabled, and special procedures for certifying eligible families and individuals.

Such a cost-sharing plan would, we think, help to reach the localities not yet in the program and provide uniform guidelines to strengthen the program all over the country. It will go far to assure that low income families in this program will receive all of the 22 commodities we now offer -- and which can provide an adequate diet in nearly all respects.

We have been equally vigorous in efforts to improve the Food Stamp Program. We have in the past two years (1) reduced the price of stamps for the very poor from \$2 a month per person to 50 cents, with a family maximum of \$3, (2) reduced the cost the first month for a new family by half, and (3) instituted over 20 other administrative reforms -- ranging from a new certification procedure for families with seasonal income to allowing States to deliver stamps by mail without being held liable for loss.

Last month I announced another large-scale revision in the purchase requirements and bonus levels for Food Stamps. Essentially, the action lowered the cost of stamps for families with incomes of \$70 or less a month, and increased the bonus amount to provide a greater level of food purchasing power than before. About 500,000 persons will benefit directly from these improvements which become effective in February and March.

The reduction in the purchase price reflects only part of a planned revision I had to cancel at the last moment after the Congress appropriated only \$280 million this fiscal year of a \$315 million authorization. I was prepared to carry out a broad revision of the food stamp purchase schedule in every income category. These revisions were based on a special task force survey which was begun by the Department almost 8 months ago. The task force, reviewing a number of previous studies -- including the just completed 1965 food consumption survey, concluded that low income families will spend less for food than we had assumed if their food expenditure pattern is considered over an extended time period. We are presently conducting additional studies to define these patterns more precisely. Our review, together with our program experience, indicated that month after month most of the poor would be able to allocate about 24 to 33 percent of their income for food, depending on family size.

We were prepared to reduce the purchase requirements had the Congress appropriated as much as it authorized.

In the future, the Food Stamp Program should be extended to all areas, replacing the Commodity Distribution Program. The cost of stamps should be reduced and the bonus levels should be increased to provide a food allowance fully adequate to meet the nutritional needs of those who are eligible. All it will take to do this are appropriations by the Congress.

In addition, a number of legislative modifications should be made to further strengthen program administration. These include the establishment of national eligibility standards based on income, and provision of authority for the Secretary to operate programs directly

if local authority refuses or fails to meet decent standards of administration.

In addition, a number of legislative modifications should be made to further strengthen program administration. These include the establishment of national eligibility standards based on income, and provision of authority for the Secretary to operate programs directly if local authority refuses or fails to meet decent standards of administration.

Before concluding my discussion of the Food Stamp Program, I wish to clarify one point which I believe has caused a great deal of misunderstanding. The legislative intent of the Congress in establishing this program was not to create a general relief program but -- as specifically and clearly stated in Section 7 of the Act -- a program to put food in peoples' bellies. So that money regularly spent on food would not be used for other purposes -- even such basic essentials as medicine or shoes -- the Congress specifically required that those who participate in the program must pay in what is determined they normally spend for food to receive bonus stamps. Until the Congress changes or modifies that requirement, any President or Secretary of Agriculture must by law require cash payment for bonus stamps.

Last May I also reported we were reaching about 2.5 million children with free or reduced price lunches through the School Lunch Program, but we estimated that from 6 to 7 million children should be receiving them.

The measure you enacted to correct this gap, as I have said, did not become law; but to the everlasting credit of this Committee and its distinguished Chairman, your efforts did bring forth \$45 million more to give better nutrition to children who most need it.

In the light of the legislative history and the clear intent of Congress, we allocated the funds as follows:

***** \$43 million has been apportioned to the States for use in reaching needy children through school food service. Rather than telling the States that they could use a specified amount for free or reduced price lunches and a specified amount for the breakfast program and a specified amount for equipment, we apportioned the funds in line with the formula your legislation contained, and asked the States to advise us of their plans for the use of this money.

State and local needs vary greatly. A number of States, particularly in the Southeast, have long since provided their schools with the equipment and facilities for food service. The great need there might well be for funds to increase the number of free or reduced price meals at noon or to begin or expand a breakfast program. Major urban areas, however, often provide little or no food service in the downtown elementary schools. They have no equipment and no place to put it. By adding a few pieces of basic equipment in a secondary school, they could provide food service to satellite neighborhood schools. In this kind of situation, the schools need a package -- some equipment, some transport service plus funds to help underwrite the meal cost for those youngsters who can't pay the going rate.

This money -- this \$43 million -- will bring in some 1.7 million children for whom a meal at school otherwise would have been too expensive.

Our reports are starting to roll in from the States and from the cities, and they indicate an excellent start:

In Providence, Rhode Island, 49 schools are receiving extra assistance and the number of free and reduced price lunches is up by 1,000 a day. In Philadelphia, six inner-city schools have come into the program because of this money and they are serving around 2,000 lunches a day. In Wilmington, Delaware, three schools are now serving 600 additional free lunches a day. Gary, Indiana, expects to get a food service program into every school through the use of these funds.

In Portland, Oregon, 22 schools are serving free lunches to an additional 2,400 children a day. In Wichita, Kansas, some 4,600 children in 11 schools with no food service will be offered lunch for the first time.

Kentucky intends to provide free or reduced price lunches to 60,000 additional pupils enrolled in National School Lunch Program schools plus breakfast for 20,000 children in 250 schools. Detroit plans call for providing a food service to 70 schools in the target area presently without such service. In New Orleans, the lunch charges in a number of needy schools have been reduced from 20 cents to 10 cents, involving some 16,000 children from low-income families. In Cleveland, 25 breakfast programs are to be opened and plans call for opening a centralized kitchen operation to serve 18 inner-city schools with an estimated participation of 7,000 children.

We are using \$1 million of the \$45 million to strengthen State administration of school food service. Support for this need is long overdue. It was authorized under the Child Nutrition Act of 1966 but the first penny had never been appropriated. It takes time, expert advice and technical assistance -- and administrative funds -- to move rapidly to bring school food service to the hard core poor schools. We allocated a basic grant to each State which requested it, and said that additional funding would be based on a plan justifying the need for additional help.

The final \$1 million is being used to bring a supplementary food package to new and expectant mothers and very young children in food stamp areas. We are using Section 32 authority and funds to do this job in areas with the Commodity Donation Program. The supplementary package includes such foods as evaporated milk and corn syrup for an infant formula plus an iron-enriched instant cereal and certain additional protein items for the mother. The program was developed in response to concern about the more nutritionally vulnerable groups in the low-income population -- groups we often cannot reach through child nutrition or family assistance programs. We operate the supplemental food assistance in cooperation with health officials in OEO and HEW through health clinics, hospitals and medical centers serving the poor. We provide the food, and medical personnel at the clinic determine which of the items is needed by the woman and her young children. There are now 60 programs in operation, and the number is growing rapidly.

While I have stressed thus far the importance of funding, I am also very much aware that success in the child nutrition programs also

rests on a strong cooperative effort among Federal, State, and local government -- in this case the local school districts.

We also have been concentrating on these problems. We are finding workable solutions to strengthen our joint operations. Last year, acting on the recommendations of a Federal-State school lunch workshop sponsored by the Department, I issued new regulations requiring each State to develop guidelines and each school district and child care institution (1) to develop and publish policy statements for determining the eligibility of children for free and reduced price lunches, and (2) to develop procedures to insure that children who receive this assistance are not singled out or subjected to ridicule.

All States have now published these guidelines, and I anticipate that by early February most school districts also will have criteria prepared and published. In this way, everyone will know the rules by which the money Congress appropriates will be used to help feed hungry children.

I also am publishing an amendment to the school lunch regulations which will enable school districts where large numbers of schools do not now provide lunch or meal service to experiment with the use of food management companies to provide food service. Currently, about 9.5 million children attend schools where meal service is not available. Most of these schools either are in the inner city, the ghetto communities, or in remote rural districts. They lack space for lunch room facilities, and generally serve a group of children who are most likely to benefit from the lunch program. More than a million will be eligible for free or reduced price lunches.

The problems of reaching the inner city schools have received a great deal of attention within the Department in recent years. Two years ago we launched "Operation Metropolitan", a program designed to focus additional manpower and technical resources on the inner city school systems. It has produced some notable successes, but it is a long-range answer to an immediate and pressing need.

Last summer, once we knew that we would in all likelihood have more money for child nutrition programs, I directed that an approach be developed to see if we could "leap-frog" the time consuming and expensive procedure of equipping inner-city schools with extensive kitchen and service equipment.

During this past summer and fall, working first with State officials and then with representatives of food management companies, we developed a series of prototype contracts which school districts could use to employ the food service capabilities of the commercial food management firms.

The first and major consideration was the type of contract that would keep the management and administrative responsibilities firmly in the hands of the professional school lunch supervisor. But I want to see if the job of preparing, transporting and serving meals can be contracted out. If the availability of meals -- the key roadblock to food service in these hard-to-reach schools -- can be overcome with the help of commercial firms, then we can reach our goal in a shorter period of time.

Our present plans are to line up about half a dozen school districts in urban areas to participate in this experimental approach. I know there has been considerable criticism of this proposal on the part of the professional school food service people, but I believe we will be able to demonstrate that this experiment will prove out to be one more tool for reaching more children. We will be operating in a fishbowl -- as always -- and I know the skeptics will be watching every move. I welcome their scrutiny because they are dedicated professionals concerned as we are with the welfare of children and maintaining the integrity of food service programs for children.

Considering the gap which remains between the good intentions we express and our ability to carry them out, I do not believe any approach should be excluded arbitrarily. In cooperation with the Department of Housing and Urban Development, we are launching comprehensive community food programs in 5 model city projects, with special emphasis on child nutrition programs. We are encouraging more school districts to experiment with pre-packaged meals which can be served quickly with minimum investment in kitchen equipment. I would also like to see experiments tried with publicly owned inter-district food service units where one central facility would handle food purchasing and preparation and delivery services for all schools and child care activities in several districts. I believe real economies of scale can be achieved in the purchasing, preparation and delivery of meals even as school food service is improved.

Early last year I also requested the USDA-Land Grant College Joint Committee to develop a research and training program for school food service personnel at Federal, State, and local levels. I now have their report and I am taking steps to carry it out.

Briefly, the Committee recommends regional seminars to provide continuing education for State and local food service professionals; regional centers for graduate training to increase professional competence in nutrition education and the several aspects of program administration; more research in food service programs; development of an associate degree program in Junior and Community colleges; and establishment of an Educational Materials Center in the Department of Agriculture for instructional materials in training food service personnel.

This program will provide the foundation for continual improvement in the professional capability of those working in the child nutrition programs.

Based on the greater availability of funds to reach needy children, I have also revised our school lunch regulations to offer schools with high concentrations of needy children a choice of two options that will increase the amount of funds they may receive to help feed these children.

As you can see, we have been busy -- we have moved -- we felt we reached a break-through point last year and we used it to establish momentum.

We need H.R. 515. We need it if we are to carry out the recommendations I mentioned above for training of food service personnel and out-reach in nutrition education.

We need the revised matching formula to bring State tax dollars into the school food service programs. If there is to be a sound basis for program expansion, the States -- all of them -- should assume some share of the financing. A few States now make such an in-put, but most do not. They rely instead on meeting the matching requirements through children's payments for the lunch. I believe the gradual scale of increasing State funding which this bill requires, is a sound and equitable one.

I recognize also that the requirement in the bill for each State and school district to publish eligibility standards for free and reduced price lunches has been set out in program regulations. Some may say this provision is not needed. I would welcome it, however, as an indication the Congress is as intent as the USDA to feed the hungry child.

If this bill -- H.R. 515 -- is enacted, I believe this Congress can say in good conscience, the legislative framework to reach children with improved nutrition is complete.

With reference to the second measure, H.R. 516, the kind of money that bill carries is essential to the goal we have set in the child nutrition programs. If we don't get it, not only are we going to disappoint the 2.5 million children we still need to reach with a free or reduced price meal, but also we will take away the meals from the 1.7 million children added to the program this year. State and local governments have moved

rapidly and in good faith to use the additional \$43 million. Failure to continue and expand the program can only result in greater reluctance of the States to give their support to the goal of reaching every child with a lunch or breakfast -- to say nothing of the cynicism which will be generated if States are asked to contribute funds to programs Congress will not support.

In the time remaining, I would like to review with you the President's budget for 1970. It carries requests totaling \$406.5 million for feeding children. This will all be in the form of cash grants with the exception of \$64.3 million for the purchase of foods to help schools meet the nutritional requirements of the Type A lunch and \$3.8 million for Federal administration for these programs. In addition, we expect to make available almost \$240 million in donated foods to schools and other eligible child food service programs.

Some of the funding for these programs will be from direct appropriations -- some from Section 32. We are, for example, requesting a continuation of the \$50 million from Section 32 that was carried as an amendment to the Department's appropriation bill last year.

I would like to outline for you a comparison of the budget requests for fiscal year 1970 with the funds allocated for this fiscal year for child food service programs. For the regular school lunch program -- \$168,041,000 in 1970 compared with \$162,041,000 this year; special assistance for lunches served in low-income area schools -- \$111,000,000 in fiscal 1970

compared with \$43,600,000 this year; school breakfast program -- \$11,000,000 in fiscal 1970 compared with \$6,500,000 in fiscal 1969; equipment assistance for low-income area schools -- \$15,000,000 in 1970 compared with \$7,150,000 this year; assistance to day-care centers and other non-school activities under the Vanik bill enacted last year -- \$20,500,000 in 1970 compared with \$5,750,000 this year; grants to strengthen State administration in all the child feeding programs -- \$2,800,000 in fiscal 1970 compared with \$1,750,000 this year.

The budget proposal will provide sufficient funding to provide free or reduced price lunches to all children who need them, as we can best estimate those needs at this time. It also proposes to make full use of the Section 32 funds which will be newly obligated under the 1970 budget.

Thus, some may argue that the budget as proposed will accomplish all that is intended in H.R. 516. I believe, however, that both are necessary. The States, if they are to embark on a program at the level proposed in the 1970 budget, need the assurance that the program will continue for more than a year. The families whose children will receive a better diet also need the assurance that the program, once begun, will continue.

H.R. 516 will provide that assurance. If the appropriations are adequate to meet the goal we have set out, then the Secretary will have no need to call on the authority proposed in this legislation. If they are not, then the funding will be available to meet the need which is clearly there.

I also recognize that some will protest that obligating Section 32 funds in this manner will diminish their availability in case of emergency situations which could develop in some commodity areas. I see no problem in this regard. Rather, with the expansion of the School Lunch program and the Commodity Distribution program, we have a substantially expanded market for food commodities, and will be able to handle any emergency situation with greater ease today than in earlier years.

Finally, I would like to address myself to a question which my distinguished Cabinet colleague in the Department of Health, Education and Welfare has raised about the food assistance program. Secretary Cohen has proposed that these programs should be removed from the USDA and placed in a new agency within HEW. I have not had the opportunity to discuss this proposal with Secretary Cohen, but I feel I should place my view on the record. I can do it now in this fashion since I have no longer a personal stake in the matter.

The major objective we have pursued is to insure the food assistance programs reach those who need this help. Over the past eight years, we have developed this capacity at the Federal level -- and we have identified the key roadblocks which exist at the State and local level, and have developed the techniques which are being successfully applied to overcome them.

In the process, we have come to realize the essential character of the supporting services within the USDA, but not available directly in the Consumer Food Program area. We rely on other divisions and other

agencies to forecast supply conditions, to handle all the myriad details of purchasing, to establish standards and insure they are met -- in effect, the development of an effective Federal program rests on a complex system; as complex as the food marketing system itself.

Further, as we have progressed in the delivery system, we also have become aware of the need to provide more knowledge about food and nutrition, and the need to create individual incentive to obtain better diets. In fact, the delivery of the food may well be the easiest part of eliminating hunger and malnutrition. The hardest part will be to develop an effective program of nutrition education. We have now begun this effort through the Cooperative Federal-State Extension Service. Programs are underway now in 48 of the 50 States, and action will soon be underway in the remaining two States. Nutrition education must be closely coordinated with the food assistance programs, and both must be guided by the same hand.

I find no evidence to suggest the food assistance programs would be administered any better, or as well, within another Department. Rather, it is my judgment that they cannot be operated as well should they lose the built in capacities which exist only within the USDA.

This concludes my testimony. I would like to take this opportunity to thank this Committee, and particularly you, Mr. Chairman, for all the support you have extended to us in helping to develop the Child Nutrition Program as a unique expression of the public's will that the hungry child will be served.

I will be happy to respond to any questions you may have.

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Washington, February 1, 1968

Secretary Freeman Details Domestic Food Aid Progress:

Secretary of Agriculture Orville L. Freeman said today in Cleveland, Ohio, that the pilot School Breakfast Program enacted two years ago as part of the Child Nutrition Act is an "overwhelming success."

He spoke at ceremonies officially inaugurating the program which will make free breakfasts available to 27,000 children in 29 high-poverty area schools in the Ohio city. He said the Johnson Administration would propose to extend the School Breakfast Program as a permanent child feeding program.

At the same time, the Secretary outlined a series of special programs and projects the Administration now has underway to expand the reach of food assistance programs and improve the level of nutrition among low-income families throughout the country. They are:

** Project 331, aimed at starting a family food assistance program in the 331 counties -- primarily rural -- with the lowest per capita income where no food program is now available;

** Operation Metropolitan, aimed at bringing 2.8 million school children in the major metropolitan areas into the School Lunch or School Breakfast programs for the first time;

** Project Food Stamp, aimed at improving the rate of participation in the Food Stamp Program areas through program modifications.

"The success of these special projects, and the overall effort to make the Nation's food abundance available to all who need it, depends on combined effort of local, State and Federal governments.

"Success will be the end product of a zeal and spirit of dedication which must be as strong and unflagging in the community and in the State House and as it is in the White House.

"In this respect, I want to commend the public officials in Cleveland from the Mayor on down. They are among the leaders in the Nation in their efforts to make school breakfasts available to urban children. And I commend their goal to bring school food service to all the city's elementary school children.

"I further want to recognize the close coordination that exists between the city's welfare programs and the Food Stamp Program. Here, as in other major cities, the participation of the poorest of the poor is guaranteed because welfare agencies will, whenever necessary, supply the minimum investment of 50 cents per person per month."

The Secretary noted that Operation Metropolitan is now underway in 15 major cities. Five cities -- Cleveland, Boston, New Haven, Providence and Wichita -- are already providing lunches or breakfasts to 34,000 more children from low-income families than when the program began. Programs in 10 other cities -- Rochester, Pittsburgh, Philadelphia, Columbus, St. Paul, Albuquerque, El Paso, Los Angeles, San Francisco, and Portland -- will begin shortly.

Under Operation Metropolitan, the city will commit itself to an intensified program to begin food service in schools without a lunch or breakfast program, and to improve existing food services.

Funds available through the Child Nutrition Program to finance kitchen and serving equipment, to support free or reduced price school lunches and to start school breakfast programs will be funneled through State agencies and concentrated on these child feeding programs.

Secretary Freeman said that through Project 331, more than 122 of the Nation's lowest per capita income counties have started, or will begin shortly, a food assistance program. Under the Project, launched at the beginning of this fiscal year, USDA has targeted 331 counties, primarily in the Southeast, South Central and Southwest, for food assistance programs.

Working with State and local officials, USDA has sought to initiate either a Commodity Distribution or a Food Stamp Program in the target counties. The Department has offered to provide the necessary funds to cover the administrative costs of the commodity program where local resources are inadequate. In addition, the Office of Economic Opportunity has made funds available to pay administrative costs in some counties under the Food Stamp Program.

The Secretary cited these examples of progress:

** Alabama: When the program began, only 34 of 67 counties had a food assistance program. Today, all but three have or will begin a commodity or food stamp program.

** Georgia: A vigorous effort by State officials has reduced the number of counties without a food assistance program operating or planned from 68 to 27. A further drive is now underway to reach the remaining 27.

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** South Carolina: The State administration has introduced legislation to finance a State-wide food stamp program. Currently, only 13 of 46 counties operate a food assistance program, with four additional counties designated to begin food stamp programs shortly.

** In Missouri, Texas, Virginia and Florida, State officials have programs underway to encourage counties which do not operate food assistance programs to initiate them.

Secretary Freeman said the Department through Project Food Stamp has reduced the amount needed for the poorest of the poor to enter the program from \$2.00 a month per person to 50 cents. The investment needed in the first month for new participants has been cut by half. Recently-developed eligibility requirements for rural farm workers will adjust the amount needed for stamps for those with sporadic or seasonal incomes.

In addition, a new approach to reaching the poor is being tested in Mississippi and parts of New Mexico, Louisiana, Maryland and several large northern cities. Since last August 170 persons from low-income families have been hired and trained, and sent out to explain the stamp program to their friends and neighbors. A friend or neighbor can reach the poor more effectively than the usual means of communication.

Further, the Extension Service has recruited and trained some 900 special aides to work in their own neighborhoods to teach low-income families how to buy and prepare foods to achieve maximum nutritional benefit.

Since these changes were made, participation in the Food Stamp Program has increased from 1.8 million to 2.2 million. While some

of the increase is due to new areas coming into the program for the first time, the bulk of the new participants has been in existing projects, Secretary Freeman said.

Overall, participation in family food programs has increased over 12 percent -- or 600,000 persons -- since the fiscal year began, Secretary Freeman said. Commodity distribution is now reaching 3.2 million, or an increase of 200,000. Food Stamp participation is 2.2 million, an increase of 400,000 persons.

He noted that 389 new Food Stamp areas were designated last month to begin operation this fiscal year, and estimated that another 600,000 persons would enter the program as a result.

"This is encouraging, even striking progress," the Secretary said. "But without in any way minimizing the great efforts that thousands of people all over the Nation have made to extend and improve these food programs, we still have a very large job ahead of us.

"The School Breakfast Program reached more than 80,000 children in its first year. The target is to reach 160,000 before this school year ends. It should be available to all children in rural and urban districts where poverty is concentrated.

"The School Lunch Program will reach over 19 million children this year, and over 2 million of them will receive free or reduced price lunches. Total participation is 5.5 million more than in 1960. But nearly 9 million children attend schools without lunch programs, and at least a million of these should receive free or reduced price lunches. Here again we have a long way to go.

"At the end of this fiscal year, food assistance programs still will not reach 500 counties, even if programs are established in all the remainder of the 331 'target' counties, plus all other counties presently designated for the Food Stamp Program or the commodity distribution program.

"Even in those counties where the programs are in operation, there are too many who still do not participate. In many ways, this is the toughest problem of all. Many of the poor are unwilling to participate in the programs, especially in Food Stamps.

"It is difficult to communicate with some. Others are unwilling or unable to divert what they've been spending for food, into food stamps, as required by the law. Still others hesitate to qualify, or have trouble qualifying under local regulations.

"And education in nutrition is badly needed, for many of the poor fail to buy, or fail to prepare properly, food with necessary nutrients.

"In the long run, education in food and nutrition is one of the most important -- and one of the most difficult -- challenges we face.

"Recognizing these challenges ahead, we have made a strong and encouraging beginning.

"We will continue to press toward the goal of insuring every citizen in the U. S. the opportunity for a full and nutritious diet. As a Nation we have the food and the means to distribute it.

"All that remains is to use the resources we have to do the job efficiently and wisely. But to succeed will require the talent and energy of all persons, not only those who operate these programs at the Federal, State, and local level but private organizations and citizens in all walks of life, including the poor themselves."



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U.S. Department of Agriculture
Office of the Secretary

A week or so ago, I saw these lines in George Stewart's new book, "Not So Rich as You Think":

"When some future historian sits down to summarize what the present generation of Americans has accomplished, his climactic sentence could read: 'Of the waters, they made a cesspool; of the air, a depository of poisons, and of the good earth itself, a dump ...'"

Too harsh -- perhaps so. But I am very much afraid that future generations will judge most harshly a race of men that had all the technical knowledge, all the resources they needed to provide a clean water, air and land, but lacked the will to do so.

If we let that happen, then they will so judge us.

It is no secret that we are facing an environmental crisis. It affects every one of the basic elements of the biosphere -- air, earth and water, and every one of us.

I know that you in agriculture and agri-business are concerned. I know that the public is concerned. Pollution is now ubiquitous. Its effects on the American people -- 70 percent of whom live in urban areas -- could be aptly summed up like this: "The total effect of pollution is greater than the sum of its separate parts." It isn't just a matter of dirty water, or of just dirty air, or just noise pollution or suburban sprawl and clutter -- which someone described as "land pollution." It's all these things coming together at once in a combined assault on the senses.

Remarks by Secretary of Agriculture Orville L. Freeman to the Agriculture and Natural Resources Committees of the U.S. Chamber of Commerce, Washington, D. C., Friday, February 2, 1968, 1:00 p.m. EST.

This has finally persuaded the average citizen that he has a crisis on his hands. I can assure you that the Secretary of Agriculture is vitally concerned with this crisis, and aims to do something about it.

Few Americans stop to realize that the USDA administers conservation programs covering nearly 81 percent of this country's land . . . all the cropland, the grassland pasture and range, and the National Forests.

We have "first" federal responsibility for the water that falls on this 81 percent of the land. We have extensive programs for controlling, conserving and developing this water where it falls. About half our total personnel -- 50,000 people -- are involved in conservation work, either in research or action programs.

These 50,000 people are the shock troops of the war on pollution -- and they're beleaguered. Now, everyone's against pollution, just as everyone's against sin. But, in a very real sense, we all want those things that are the proximate cause of pollution.

We like cars, which invariably are the leading pollutants of metropolitan airsheds. We like the manufactured bounty from factories that pollute the waters, and we like the thousand-and-one other products of the most highly-advanced technological society man has every known.

We even like our back-yard barbecues, whose steaks contribute their bit toward murky skies.

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With this general introduction, let me proceed to the subject you invited me to speak on, agriculture and pollution:

Agriculture is both sinner -- and sinned against -- in this matter. Last year, crop damage from air pollution alone was nearly half a billion dollars. And farmers -- like everyone else -- need clean water to drink, clean air to breathe and, of course, unpolluted air and water for their crops and livestock.

I suppose that we are "sinners" also, a subject I'll discuss in depth in a moment. For now, let me say that we're on top of this problem of agriculturally-caused pollution;

(1) We will ask Congress, in this session, for new authority to deal with the urgent problem of water pollution, as it pertains to agriculture and;

(2) Existing programs -- that this Department has administered for many years -- are receiving my personal attention, with an eye toward redirecting them to meet new needs.

Now, let me tell you about three major areas of my current concern:

The first is chemicals and pesticides. The Department has reduced its own spraying with persistent pesticides, such as DDT, by a factor of 50 to 1 over the past 10 years. We have established an effective and widespread monitoring system. More on this in a moment.

(more)

A second is animal wastes: Today, two-thirds of all beef produced comes from feed lots. The disposal facilities to cope with the staggering amount of animal wastes from highly concentrated feeding operations just don't exist. This is also giving us serious concern.

And finally, the old problem of silt. This is still the most widespread single source of water pollution. Our Soil Conservation Service has been dealing with it for a long time. But new conditions have created the necessity for new directions and new legislation.

So let's start with some simple facts on chemicals and pesticides. The world can't feed a population that may reach 7 billion or more in another three decades without them. We couldn't feed our own people at the lowest cost in the world -- less than 18 percent of disposable income this year -- without the help of them. This is primary.

Last year, Americans applied 32 million tons of fertilizers to their farms, lawns, gardens and pastures. Too much? Well, even though we've doubled the use of fertilizers every 10 years in the past half-century, the average use of chemical fertilizers per cropped acre here in the U. S., is only one-tenth the level used in the Netherlands, to cite one example.

These fertilizers are not without their problems. Nitrogen and phosphorus nurture the growth of "algal blooms" on ponds, lakes, and streams. It is true that some nitrogen moves in land runoff from fertilized fields. But most of our scientific evidence indicates this is a minor contributor to stream nitrogen right now.

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I'm not unconcerned about this problem. But I do feel that the real answer to it is better land use practices to curb the run-off and sediment delivery that transports unwanted fertilizers into watersheds. This makes good sense, both from an economic point of view -- keeping it on the land -- and from a conservation viewpoint -- keeping it out of river systems.

We're not stopping here, however. For 80 years now the Department has been studying behavior of phosphorus in soils, water and plants. In this, and in nitrogen research, we've developed -- and distributed to farmers -- information on proper fertilizer placement, timing application, and optimal levels of application for every different soil in the U. S. This helps farmers gain the maximum economic use of fertilizer and minimizes losses to his environment. We aim to do more of this.

Pesticides

The same can be said of pesticides.

Already the Department has made great strides in meeting the environmental problems of pesticide use.

For instance:

- * Research in this field has been greatly expanded.
- * We recognize the great danger from improper pesticide use. We're working constantly on better licensing, better instruction, and better information in using them.

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* The Department's research divisions are also working on less persistent sprays, and better monitoring and surveillance of pesticide use.

And, as you all know from screw-worm eradication and other programs, we've developed biological methods of pest control. Sterilization, use of predators and pathogenic -- or harmful -- organisms have eliminated the need for chemicals in controlling some pests.

We're finding more selective chemical pesticides. Major basic research is pressing forward to new solutions to pest control problems.

The Department reduced its own spraying with DDT from 4.9 million acres in 1957, down to and just over 100,000 acres in 1967 -- a reduction of 50 to 1. We now use persistent pesticides, such as DDT, only when there is no effective alternative.

And, as I mentioned earlier, we're expanding our rural areas monitoring of pesticide use. We now have 55 monitoring stations across the country.

Animal Wastes

The second great problem I mentioned earlier is the safe disposal of two billion tons of animal waste a year.

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About two-thirds of the U. S. beef output now comes from feedlots. Today, feedlots with 10,000 head of cattle; broiler operations with 100,000 birds, are not uncommon. This confinement of cattle, hogs and fowl to small, concentrated areas has created a serious and growing sewage disposal problem.

Nebraska and Iowa, for example, feed nearly 3 million head of cattle a year. Their animal waste is equivalent to that produced by 49 million people, or 11 times the human population of these two states. Unfortunately, sewage disposal systems to handle this volume of waste are woefully inadequate.

One cow produces animal waste equal to the sewage of sixteen people. One feedlot of 10,000 head of cattle has the waste disposal needs of a city of 160,000 people.

Now, you know the statistics of the problem. I'm sure you've been exposed to them before. Back when most of us in this room last rode on a manure spreader, the problem was simple. We spread it on the fields. But now it's cheaper for farmers to get their nitrogen from a bag than from a barnyard -- the price of nitrogen fertilizer in 1968 is cheaper than it was during the nineteen thirties.

The farmer and the feedlot operator are left with manure they usually can't sell, can't even give away, can't burn. And all too often it winds up in the streams, with predictable results.

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This is a relatively new problem, and research is in its infancy. We all know -- me most of all -- that farmers are in a cost-price squeeze. We can't expect them to use uneconomic fertilizers. What's needed, in my opinion, is a crash research program, both in the scientific aspects of this problem, as well as the economic. The problem can be met, and we're working on it now.

We're researching plans for a number of waste-disposal systems. They include lagoons, incinerators and waste-destroying bacteria. We're testing the principle of purifying polluted water by percolating it down through the soil. In some places waste runoff can be diverted into grassy areas with a high filtration capacity.

This problem can be met. There are solutions. But it will take cooperation, money and hard work to do it.

Saline Pollution

Now a word about saline pollution -- about half the 32 million acres of irrigated land in our 17 Western states is subject to it. One of these Western states is heavily irrigated California, that grows 40% of the Nation's fresh fruits and vegetables.

Some irrigated lands in the Southwest have registered up to 25 tons of salts per acre foot of water used. But a more typical example is the land near Yuma, Arizona, where the Colorado river carries about a ton of dissolved salt in every acre foot of water. There, when a farmer applies 5 acre feet of water, he also, so to say, "applies" roughly 5 tons of salt. Then, as the salts build up, they must be washed out with more water if the crops are not to suffer.

Our scientists are exploring new types of salt-resistant food crops. They've established the salt tolerance of over 60 plants. They're working on water quality measurements and leaching requirements.

This salinity research may eventually help us solve the world food problem. Immense acreage of agricultural lands in food-poor countries are now useless from salt buildup. If dependable methods can be found to reclaim salty soil and prevent future salt buildups, it will mean better food, and a better life, for literally millions of people.

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Silt

That brings us to the oldest of all water pollutants -- one that was around long before man came on the scene -- silt and sediment. The cost of sediment in our reservoirs alone is \$100 million a year. Sediment ruins recreational lakes, kills fish, costs millions in taxes for dredging and filtering, and carries other pollutants into the water. Total yearly silt pollution damage is in excess of \$346 million.

Listen to this, from an article last month in the Des Moines Register:

"The Iowa Conservation Commission moved Wednesday to save the state's lakes from filling up with silt, but the action may have come too late for some lakes and streams.

"'At stake are all our natural lakes,'" said James R. Hamilton, a Storm Lake attorney.

"In a unanimous vote, the commission directed its staff to write a comprehensive plan for control and improvement of the watershed areas from the standpoint of siltation control.

"The plan, at the urging of Hamilton, will also embrace the matter of compelling offending landowners through appropriate legal action to remedy the injurious effect of the siltation processes.

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"The commission intends to seek approval from the next session of the Iowa Legislature to clamp down on farmers who, through poor soil conservation practices, flood Iowa's lakes and streams with silt and sand."

Sediment is a terrible example of a resource out of place. It hurts the land where it comes from and hurts the water where it goes.

And it isn't just a farm problem. In 1967 the Nation stripped one-and-a-half million acres bare for housing developments, new roads, and other construction. Sometimes it is years before we build on this land -- and, in the meantime, it erodes.

You've seen this construction around Washington. It's the fastest growing large metropolitan area in the Nation. About 25% of the sediment that turns the lower estuary of the Potomac brown comes from these construction sites. In metro Maryland, studies show that land undergoing development produces from 2 to 200 times the amount of sediment as nearby farmland.

Suburbia isn't the only villain: In the intermountain West, 66 to 90 percent of the sediment produced by streams comes from streambank and streambed erosion. Elsewhere, two million acres of strip mined lands -- all producing heavy sediment -- need conservation treatment. A bill before Congress now would authorize USDA to assist more directly in sediment control in such areas.

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This non-farm erosion will increase, unless steps are taken to control it. New building construction during the present decade will exceed all other building in this country since the Revolution to now.

This Administration is concerned.

The Department of Agriculture and the Department of Housing and Urban Development last year co-sponsored the first national conference on suburban soil and water problems. It was attended by contractors, conservationists and others. Future conferences are being planned all over the country to meet the problem.

A 20-1 Cost Benefit Ratio

Soil is going to wind up somewhere. It's a solid part of our environment. That leads me to a rhetorical question: is it better, through erosion control measures, to pay a little bit to keep useful soil on the land -- or is it better to pay a great deal more at the other end of the line, and dredge that soil out of some river or reservoir?

The comparative costs are 1 to 20. That is, it averages 20 times as much to dredge sediment out of water, as it would have cost to keep it as soil on the land, leaving aside the productive loss to the farmer from his lost topsoil.

This form of pollution prevention -- rather than costly correction, is simple logic. Sediment pollution is not only our highest-volume pollutant, it's one of our most expensive. It carries other pollutants, such as chemicals, into streams, which arrive there along with sediment and runoff water.

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Conservation keeps both -- soil and runoff water -- on the land.

We know from long experience that conservation measures such as contour strip cropping, terracing cover crops do markedly reduce sediment loads. We know these same principles of land use can be adapted to urban fringe lands as well.

Let me close by saying this: There aren't any easy answers to the problems I've discussed this noon. But they're not beyond our ability to solve. In this country -- and I believe this as an article of faith -- we can do anything we want to do.

Just look at what we've done so far.

The Department of Agriculture has helped landowners to contour 43 million acres of American soil. We've helped plant 110,000 lineal miles of hedgerows and windbreaks, and another 13 million acres of trees. We've helped build a million and a half acres of grassed waterways. By the nineteen fifties, when another potential dust bowl descended on Kansas, farmer-conservation measures reduced the days of blowing dust from 120 days a year, during 1936 and 1937 -- down to 40 days in 1956 and '57, when conditions were just as bad.

We can do it. The government can't do it alone. We need your help, and I ask for it now.

Thank you.

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The Fabulous Country

I am a Yankce by birth but a North Carolinian by marriage and indoctrination. Early in my career, I had both the wisdom and good fortune of marrying a Winston-Salem girl. In the years since -- and they have been happy ones -- I have heard a great deal about North Carolina, as you can imagine, and have managed to see a lot of it for myself.

If this were not enough, since I have been Secretary of Agriculture, one of the men who has helped me most, one who has one of the toughest jobs in the Department, is also a North Carolinian. He is Horace Godfrey, administrator of the Agricultural Stabilization and Conservation Service and winner last year of the Career Service Award of the National Civil Service League.

Another North Carolinian, also a close friend in Washington, of course, is with us at the head table tonight. He is Congressman Walter Jones, with whom I've had the pleasure of working closely ever since he came to Washington in February 1966.

As you know, Walter Jones is also one of my bosses, serving with distinction on the House Agriculture Committee and its subcommittees on tobacco, and conservation and credit.

What Walter has neglected to tell me about North Carolina agriculture -- and that isn't very much -- another North Carolinian has provided -- that's

Remarks by Secretary of Agriculture Orville L. Freeman at the Jaycee banquet honoring Outstanding Young Farmers, Elizabeth City, North Carolina, Saturday, February 3, 1968, 7:30 P.M., (EST)

Jim Graham, your own Commissioner of Agriculture, who is also with us tonight.

And so I'm surrounded -- at home, work, and travel, by Tarheels. But frankly, I can't think of any people that I'd rather be surrounded by!

With all of this North Carolina influence in my life, I could hardly come here and overlook one of the State's most prominent sons, the late Thomas Wolfe.

My subject tonight is America, the theme that ran through Thomas Wolfe's works also -- and of it he said this:

"It is a fabulous country, the only fabulous country;
It is the only place where miracles not only happen, but
where they happen all the time."

How true these words are, yet how easy it is, in the rush of everyday life, to forget them, to take things for granted.

Did you ever stop to think that two centuries ago this land was trackless wilderness, threaded by dim trails and carved up among various European powers.

Less than two centuries ago a group of rebellious colonists produced the most noble political document ever written, the Declaration of Independence, and a few years later, the most enduring set of principles ever to govern a great people, the Constitution of the United States.

(more)

Only a short century ago the blue smoke still hung over battlefields across the Continent as we healed the wounds of a war in which we suffered more dead than in any other war we have fought.

Just over six decades ago, well within the memory of many living Americans, a flimsy powered kite rose from the sands of Kitty Hawk and ushered in the air age.

And now we are on our way to the moon.

"A land where miracles happen all the time"? This is it, in large things and small.

A land in which the average citizen never goes hungry is a miraculous idea to the two-thirds of mankind who go to bed hungry each night. We live in it, thanks to the outstanding young farmers here tonight and others like you. A land where six out of 10 families own their homes is certainly miraculous to much of the world, as is the idea of providing a publicly-financed college education for the son or daughter of that average family.

And because I still believe in miracles in general, and the miracle of America in particular, I am getting tired of the massed choir of the disenchanted, disaffected, and discombobulated who spend all their waking hours telling us what's wrong with America.

You have only to open the paper or switch on TV to see them at work. News, by definition, is the bizarre, the unusual, the out-of-the ordinary.

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Six million hard-working young people, getting an education in colleges all over the United States, aren't news.

One college pot party is.

Five shaggy demonstrators, fighting their war the safe way, here at home, can crowd off the front pages 500,000 young men doing their duty in Vietnam.

And many people, seeing only the former and forgetting the latter, think the country is going to the dogs.

This country isn't going to the dogs -- it's going to the moon!

And here on earth, it's meeting its obligation to its own people and our friends overseas.

We all know what's wrong with America, but how about taking a look at what's right for a change?

Let's talk about meeting obligations:

* This country has an obligation to see that every one of its young people who is ready, willing and able, gets the best education the Nation can provide. 5.8 million young people are in college doing that right now, nearly 2 million more than four years ago. Nearly a million and a quarter of our college students are receiving Federal grants or loans to help them along. Another 2.7 million young people are in Federally-assisted vocational education courses, nearly 30 percent more than just four years ago.

(more)

This is one thing that's right with America.

Overseas, as at home, the Nation is meeting its commitments.

Since 1954, when Food for Peace got underway, 150 million tons of food from America have gone to feed hundreds of millions of hungry people all over the world. Even as I speak, grain is moving from the American heartland to Asia and Africa, and trained American agriculturists are moving to help the poorer Nations learn to feed themselves. Here at home over 5 million needy families and almost 30 million boys and girls in school are getting special food allowances. And we're working hard every day to extend these programs to reach every needy person. This is right with America, too.

In Vietnam, despite all the criticism, despite the cries of the demonstrators, we are meeting our obligation to defend the life of that small Nation so it and other Nations of Asia can develop and grow with the blessing of freedom. When the test came; when the enemy told us, in effect, to "put up or shut up," we put up. And our resourceful, strong and determined President has made it crystal clear that we will continue to "put up" until freedom prevails.

And that is right with America, too.

Not everything is right with us, of course. Even in this age of affluence, with 83 months of uninterrupted prosperity behind us, when the average family has increased its real income by 70 percent in the past 20 years, there is still widespread poverty in the land, still those outside the mainstream of American affluence.

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But now, for the first time in history, a Nation has committed its resources to eradicate this poverty. And, although 34 million still live below the poverty level, just over the past 4 years, 5.7 million Americans -- equal to the population of Chicago and Philadelphia combined -- have been lifted above the poverty line.

Some of these nearly 6 million Americans were black, some white. Poverty isn't just a Negro problem, or just a white problem, or an Indian problem, although it's often presented in those terms. The point is to give everyone an equal break, an equal chance to make the best use of his God-given talents.

Here in North Carolina you've made great strides in providing equal opportunities -- quietly, unobtrusively, with much good will on both sides. Nationally, the educational gap between Negro and white students has narrowed from an average of two years in 1960, to six months today. Economically, over the same period, the number of Negro families earning more than \$7,000 a year has more than doubled. Similar strides have been made here.

In short, for the first time ever, many people in this country have been given some hope. But strangely enough, the President is criticized for it! There are those who say in effect:

"Well, you can't raise 'these peoples' hopes too high -- you just cause trouble."

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What a discouraging thought. What a bankrupt criticism. Hope is what America is all about. Hope for a better future of one's children. Hope of a better job. Hope of three meals a day. "Hope deferred," we read in Proverbs, "maketh the heart sick." ... and Martin Luther tells us: "Everything that is done in the world is done by hope."

Well, millions -- black and white -- now have some hope for the future, where they had none before.

That brilliant and perceptive French visitor to our shores, Alexis de Tocqueville, bespoke the difficulties presented by the restlessness that accompanies hope and progress when, more than 130 years ago, he wrote:

"Only great ingenuity can save a prince who undertakes to give relief to subjects after long oppression. The sufferings that are endured patiently as being inevitable, become intolerable the moment it appears there might be an escape. Reform then only serves to reveal more clearly what still remains oppressive and now all the more unbearable.

"The suffering -- it's true -- has been reduced. But one's sensitivity has become more acute."

And so there is a certain restlessness abroad in the land today, and small wonder. President Johnson described its causes well in his State of the Union address when he said:

"... when a great ship cuts through the sea, the waters are always stirred and troubled .. Our ship is moving -- moving through new waters, toward new shores."

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I for one would be very disturbed were this not so -- if, with all the problems and unfinished business that this Nation has, if we were content to sit back and say, in effect:

"Well, I've got mine. Things are pretty good -- let's don't worry and let's don't rock the boat."

Then this society of ours would be in very serious trouble, indeed.

But we're not doing this. Instead, we're attacking our problems and, in large part, we're meeting our obligations.

In agriculture, the field I'm closest to, we're not satisfied with a 50 percent increase in the income of the average farmer since 1960. That's still only two-thirds of what other Americans earn, and this isn't good enough.

So each year since 1961 we've passed legislation to increase farm income ... to remove the surpluses, to allow our agricultural products to move in world trade, and to meet our food aid commitments to a hundred million hungry people in the developing world. In each of these areas we have made striking progress.

This legislation culminated in the Food and Agriculture Act of 1965, the first four-year bill that American farmers have ever enjoyed. In 1966, the first year under the new program, farm income was at record levels.

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Bumper crops world wide cut exports in 1967, and farm prices and income dropped sharply. We are all disappointed at this unexpected turndown but we are not discouraged. Instead we will be trying even harder.

This year, recognizing the problems that still remain, President Johnson has called for extension and improvement of the basic legislation, for measures to strengthen the bargaining power of farmers, and for a long-range, strategic reserve bill that will both raise prices and insure the Nation of ready supplies of grain in time of national or international emergency.

The President, and his Secretary of Agriculture, will make every effort to see that this legislation becomes a reality, so that once again we continue the climb toward the parity of income goal that farmers need and deserve.

Here in North Carolina, which is one of the most rural, yet one of the most heavily industrialized States in the Nation, you have first-hand experience with yet another challenge Americans are facing today, that of rural development.

As of today, 70 percent of the Nation's population lives in urban areas, on just 1 percent of the Nation's land. Long-neglected rural areas contain a double-share of the Nation's poverty, in relation to their population, and traditionally have offered less of everything -- jobs, education, housing and community facilities -- than the cities.

Here, too, the Nation is striving to meet its obligations, this time to the 60 million Americans who live outside the cities.

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Let's look at some of the things we have done.

* Funds to build the basic water and sewer facilities a community needs to attract industry have risen from less than \$1 million in 1960 to \$220 million last year. The number of people helped each year has grown from 20,000 to more than a million in 1967. Since 1961, the total advanced to bring pure water to people is \$546 million.

* Another basic 'must' for rural communities is good housing. The amount loaned for this purpose -- private homes, migrant labor housing and Senior Citizen housing -- has increased 13-fold since 1960, from about \$40 million to more than half a billion dollars a year. In the past seven years a \$1.5 billion investment has meant homes for 50,000 rural people.

* Since the passage of the Economic Opportunity Act in 1965, some 45,000 individual and group loans totaling \$96 million, have gone directly to the poor, giving these families a means to raise their incomes.

* Conservation of natural resources is the lifeblood of rural America and a vital part of all subsequent economic development. Government-wide, investment in conservation has increased from \$2.4 billion in 1961 to \$3.9 billion in the 1968 budget, a 60 percent jump.

* In the Department we're integrating conservation with economic development through multi-county Resource Conservation and Development projects. Seven years ago we didn't have one in the United States. Now 41 have been approved for planning and operations embracing an area of 100 million acres.

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What these funds -- and other programs too numerous to mention -- have done, is to help provide an alternative to bigger and worse urban sprawl.

I don't see any reason in the world why a rural American should be forced to uproot his family and move to a large city to find work.

In a country as wealthy and advanced as ours, we should be able to put the jobs where the people are. You've already done a lot of that here in North Carolina. And along with jobs, we should have the first-rate educational facilities, the first-rate housing and medical care, that attract and hold people in the local community. Not only is this good policy, it's also just common sense.

Here again, the great ship is moving. It hasn't reached port yet -- we still haven't reversed the great migration to the city, but we are making progress.

One indicator is a recent Census study that shows the growth of big metropolitan areas slowing, while the percentage growth of rural and smalltown areas is increasing.

In the 1950's, the big metropolitan areas grew by 2.4 percent a year. From 1960 through 1965 their growth slowed to 1.7 percent a year. But over the same 2 periods, non-metropolitan counties grew by one-half of 1 percent a year in the fifties, while their growth rate more than doubled, to 1.1 percent annually, in the years 1960 to '65.

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This hasn't yet halted the migration from country to city, but a great reduction has occurred. In the fifties, non-metro areas lost an average of nearly 600,000 people a year to the metropolitan areas. From '60 through '65 the loss was only about 1/5-th of that figure -- 118,000 a year.

A second indicator is jobs.

New jobs in cities of under 25,000 -- where most rural people work -- have been increasing at a faster rate than in large metropolitan areas over the past few years.

In the decade of the fifties, new jobs in these small cities and rural areas grew at about 2 percent a year, about the national average. But from 1962-'66 employment grew at about 4 percent a year, higher than the national average and that of metropolitan areas.

None of the progress I have detailed tonight -- in agriculture, in education, in housing, in rural development -- was accomplished without change. Each of the programs that helped make it possible was the result of hard-fought political battles. Each produced change, and change, for most of us anyway, is an uncomfortable thing.

The government didn't produce this change; it attempted to devise means to deal with it. Most of it was accomplished by people like you -- members of the 99 and 9/10-ths percent of all Americans who go about their daily work, raise their families, serve their communities ... and in so doing,

move the Nation forward.

In the final analysis, it is this kind of American -- and not the alienated, not the disaffected, not the disciples of violence -- who are right with America, and upon whom its future depends.

America never was, and never will be, a finished society. There is always another frontier ahead of us; always another miracle that will come to pass.

Writing of another age, historian Bruce Catton described the American condition as the age of the physical frontier dawned before us. He said:

"The people could go anywhere they chose, quite literally anywhere: all the way to the shining mountains and the deserts, beyond these to the extreme limit of the imagination.

"Men could very likely do anything on earth they had the courage to dream of doing."

We still can, my friends, we still can. And this above all is what is right with America ... The Fabulous Country.

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When Harry Caldwell invited me to speak at this annual meeting, he said there is a growing restlessness about our farm programs, that there is an uncertainty that needs to be cleared up.

His appraisal of the situation reminded me of the time the minister was describing his trip to the Holy Land for the Women's Circle.

He had gone, the minister said, from Dan to Beersheba, and then went on to explain that Dan is a city in the north and Beersheba a city in the south.

"I'm glad to hear that," whispered one matron to her companion.

"I always thought Dan and Beersheba were husband and wife like Sodom and Gomorrah."

If I had any doubts that there is a restlessness among farmers and farm leaders, they were cleared up during a bout with the flu for a couple of days last week.

I was home in bed, snuffling and coughing, when my wife came in with a telegram from one of the country's leading farm organizations.

It said, "Dear Mr. Secretary. Our board of directors wishes you a speedy recovery -- by a vote of 8 to 7."

Address by Secretary of Agriculture Orville L. Freeman at the annual meeting of the Farmers Cooperative Council of North Carolina in the Jack Tar Hotel, Durham, North Carolina, at 7 p.m. February 6, 1968.

And I don't blame a farmer for being restless. If I had sat for days with a truckload of tobacco in a 5-mile lineup outside some warehouse while the price kept dropping, I'm afraid "restless" would be a little mild to describe my state of mind. And if I was farming in North Carolina and got \$1.15 for corn and \$2.47 for soybeans when I got \$1.46 and \$2.83 last year, I wouldn't be a bit happy.

Let me tell you as strongly as I know how that I more than share your disappointment at last year's sharp turndown in farm prices and income after we enjoyed such an extraordinarily good year in 1966.

So I want to talk with you tonight about our farm situation -- what happened last year, why we did so much better in 1966, and where we go from here.

And I want to especially emphasize tobacco, both because I have been much concerned about the problems that occurred in the marketing of flue-cured tobacco this past year, the fact that prices were below what supply and demand could justify, and because I believe the answer to equity for the tobacco farmer is an important part of the answer for all farmers.

I have this afternoon announced official hearings on a proposed marketing order for flue-cured tobacco.

I did this after a great deal of discussion among farmers, warehousemen, buyers, government people and others concerned about the 1967 selling season.

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The delays, the discomforts and general dissatisfactions that were reported to me during and following the 1967 season are simply not consistent with an efficient Twentieth Century marketing system.

We can't let the agony of 1967 happen in 1968, so time is short.

Therefore, I have called for the hearings to give everyone interested in flue-cured tobacco a chance to express his views.

The idea is not to point fingers at producers, warehousemen or buyers, but to seek some change in the basic system to end the 10-day waits for the floor, the nights sleeping in the truck and the rain-damaged tobacco.

In the absence of any machinery that can as a practical matter regulate the flow to market, it appears that a marketing order is well worth exploring as a means of getting the situation in order.

Let me make two things very clear.

First, my announcing these hearings does not mean I am recommending an order. Any order formulated would be based on your testimony at the hearings. And any order formulated would be submitted to you in referendum.

Second, a marketing order is a producer tool, not a government tool. It would be administered by your committee, and let me say here that I would be favorably inclined to your current marketing committee, if that is what you want.

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I think the committee did a good job last year -- within the limits of its authority. It simply did not have the authority to schedule deliveries.

With a marketing order, the committee actions would have "teeth" -- the support of the law, plus the fact that the committee could deal with the real problem -- the movement of tobacco from farm to market.

But let me put it once more, as clearly as I can: It is up to you. We will hold the hearings, but if you're not interested we won't pursue it. We want to do all that we can, but only you can give the final answer.

The situation in tobacco dramatizes the basic problem in most of agriculture.

The farmer is the only entrepreneur, farming is the only industry, that enters the market, hat in hand, and asks: How much will you give me?

General Motors doesn't call its market outlet -- its dealers -- and say: "We've got some cars we want to sell, how much will you give us for a two-door hard-top?

It says, "We've got hard-tops. If you want them they will cost you this much."

Few farmers today can talk like that in the market place, and, to me, this doesn't make sense.

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Why for example, should a 1.3-billion-dollar industry in North Carolina -- agriculture -- let somebody else price its products?

Farmers across the land are increasingly aware of this anomaly, and they're setting out to do something about it.

That's what the increasing demand by farmers for muscle in the marketplace is all about.

In the Department of Agriculture we have been studying methods of helping farmers get this bargaining power for a year.

In recent months, we have called in general farm and commodity organization leaders to get their views, their judgments on how this can be done.

President Johnson in his State of the Union message made it clear he would recommend programs to help farmers bargain more effectively for fair prices.

In the USDA we are exploring a number of means that hold promise. I am confident that firm proposals will come from these studies and consultations soon.

Some farmer bargaining tools, notably the marketing order and the price support machinery already exist.

Some alternatives under study may require administrative changes, others legislation.

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But in the end, the bargaining vehicle, or vehicles, must be those the farmers want, because any bargaining effort, to be successful, must have the concerted, determined support of farmers themselves. I can't stress this too strongly. Government can and must help, but in the end it is up to farmers themselves.

So any bargaining plan will be a self-plan, giving the producers a means to help themselves.

There is bargaining power in a broad sense in the farm programs we have today.

For example, let me quote from a recent Daily Market Bulletin of the USDA Commodity Exchange Authority:

"The fact that soybeans impoundings of 158 million bushels" -- in other words 158 million bushels went under price support loan -- this fact "led to speculative buying in the soybean pit. Strength in soybean oil and meal aided in the advance in the soybeans pit, but the upturn in the end product was attributed in part to the fact that supplies of soybeans in free market channels may become quite tight later in the season unless farmers redeem substantial quantities now under the Government Support Loan."

The impact of the impounding reports (record volumes have been placed under loan) for corn and wheat also was a prominent factor in the Bulletin discussion of price trends in those two commodities.

Take notice -- farmers of America -- this is bargaining power. Price support loans permit the farmer to have a hand in marketing his own product. The more farmers use the loans for prudent, hard-nosed marketing, the better will be the farmers' stance in a market that reacts sharply to supply.

Let me say right here that I think the markets have over-reacted to the small over-supply of wheat, feed grains and soybeans this year. Then let me add that no segment of farming benefits from the low prices of another.

What I am saying is that cheap feed grain means cheap poultry and cheap red meat, and you poultrymen are particularly aware of that fact today.

Last fiscal year the Department put \$92.5 million of Section 32 funds into buying red meat to stabilize prices and \$17 million in Section 6 funds to buying chickens for the school lunch program. Already this year we have put \$23 million into turkeys, more than in any entire year in the past.

So far this year, we have bought \$1.5 million worth of commercial laying hens and \$3.1 million in eggs in an effort to help egg producers.

This use of Government purchasing power helps to firm up prices during periods of temporary oversupply. But obviously this is not the answer. The answer must come from the producers themselves. There is legal precedent for producers to get together to limit production to market needs -- for matching supply to demand. That's what your tobacco program is all about, and no program has been more successful or better supported by farmers.

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It isn't necessary to tell this group that the basic problem of agriculture is supply-demand, or production-demand, balance.

We saw again in 1967 how a small excess of feed grain production above needs could bring a substantial drop in the market price of corn.

And this is true across the board. A 3 per cent excess of grains will drop farm prices 10 per cent or more, but production swings far beyond that modest range have occurred throughout the history of farming. Last year for example corn production in the U. S. was 1 billion bushels over the 5-year average.

But I am here tonight to tell you that we shouldn't be discouraged. We have as the law of the land today the basic machinery to control these wild production swings, to temper the effect of the uncontrollable forces such as weather that can make the farmer a prince or a pauper -- and all too often a pauper.

I am referring to the Food and Agriculture Act of 1965.

This historic Act embodies the wisdom of 30 years of experience. It is the climax and refinement of experiments with voluntary programs enacted since 1961 -- programs that on balance have worked amazingly well.

This Act, prepared, fought for and won by this Administration from a reluctant, if not hostile, Congress, created voluntary programs that farmers can use cooperatively with other farmers and their federal government to balance production.

It recognized that unlike General Motors where one decision cuts back or increases production in response to the market, as many as three million decisions, by three million individuals, go into the production curve of the Nation's largest single industry -- agriculture.

And those farmer decisions, once made and carried out, are irrevocable until the next crop season. The farmer can't slow down or shut down for one month, or two months and then restart the production machinery as economic requirements dictate.

From planting time, the production decisions are in the unpredictable hands of weather, disease and insects.

The Food and Agriculture Act is designed to create a framework of order within which the individual farmer can make his decision, within which land can be moved in and out of production as needed, to cushion the impact of the vagaries of natural forces.

With this Act, and the Food for Freedom Act of 1966, we have the basic machinery to produce food needed for our foreign policy and humanitarian commitments, to assure abundance at home and to stabilize farm income at levels comparable to that of other segments of the economy.

The programs provide for:

Price support loans near the world price to put U. S. farmers on a truly competitive basis around the world;

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Diversion payments to sideline unneeded cropland on an annual basis -- and a longer-term Cropland Adjustment Program;

Direct payments to farmers to supplement the "world level" price support and allow for the U. S. farmer's higher production costs.

And they have worked, not perfectly but, all things considered, amazingly well. With them, we have been able to:

Stabilize farm prices at a level about a fifth above what they would be without programs.

Hold net farm income at a level more than 50 percent higher than it would be without programs -- and better than a fourth above 1960.

Expand dollar exports at a record rate -- the produce of one in four American acres today is sold abroad.

Move grain and cotton supplies into a near balance with need.

Assure abundance for 200 million people at the lowest real consumer cost in history.

Provide about \$2 billion in food yearly for the needy at home and abroad.

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And finally, they have worked to remove the staggering surpluses of the '50's, taking the Commodity Credit Corporation out of its dominant role in the grain and cotton markets. Emphasis has shifted from storage to use.

So the programs are working. But they are new; we are still learning how to use them -- and nobody understands that better than I after last year's disappointing price drop. Worldwide bumper harvests, which came on the heels of my decision to increase acreages in the face of a threatened undersupply of wheat and feed grains, demonstrated once again how dependent we are in agriculture on the uncertainties of nature.

I have only two small consolations: One, that I did not yield to the pleas of those who wanted even larger acreages, and there were many, and the other that without the programs that held back productions the farmer's pocketbook would be one-third flatter than it is.

With the flexibility provided by the Food and Agriculture Act of 1965, we have moved swiftly this year to cut wheat and feed grain acreages and to increase acreage in rice and cotton in terms of anticipated need. As a result prospects for 1968 look much brighter.

Certainly, the Act needs improvement. We must change it as we see the need, iron out the bugs as they appear, strengthen it where we see weakness. And we are doing it.

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One very important move to add muscle to the program would be the creation of a strategic commodity reserve. The President recommended such a reserve to the Congress in testimony last week.

This reserve, owned by farmers and the CCC and isolated from the market, would take the Secretary of Agriculture from between a rock and the hard place when he makes his program decisions for the next year.

A reserve cushion would be available. Higher market prices for farmers are implicit in the isolated reserve, and it would assure Americans of food in case of national or world emergency.

You are aware that we lost a reserve bill and with it several hundred million dollars of farm income last year when it was killed in a House subcommittee. We can not afford to lose it this year.

In addition, we are seeking a stronger cotton program and a peanut program, and, as I told you, we are actively engaged in trying to fashion farmer bargaining proposals.

To me, the implementation of farmer bargaining more than anything else will change the thrust of our farm programs from primarily defensive -- from that of a shield against the blows of weather, insects, disease, oversupply -- to one of offense.

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It will point to the day when the farmer can carry his own ball in the market place, when he can have a direct hand in getting the price he must have for his product.

In closing I would like to point out that, while we have a farm program that does work, a framework upon which we can build for the farmer a chance to get a fair share of the abundant life he has made possible for others, there is absolutely no assurance that we can even keep it, much less improve it.

Never in the history of American agriculture has it been more important that farmers be bedrock practical and completely realistic. We can't afford to kid ourselves.

Here are a few brief facts that every farmer ought to keep in mind:

Number One: The Food and Agriculture Act of 1965 -- the first 4-year program the farmer has ever had -- expires next year.

Number Two: It passed the House in 1965 by 49 votes, and 47 of these votes are no longer in Congress.

Number Three: 388 of the 435 Representatives in the 90th Congress are from districts where four-fifths or more of the people live in towns and cities -- off the farm.

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Number Four: In this same Congress there are more than 20 bills pending to kill all or parts of existing commodity programs -- And even though you tobacco farmers are not under the 1965 Food and Agriculture Act., don't think for one minute that your program will survive once the axe begins swinging.

Number Five, and let's face it: No meaningful farm bill can pass the Congress without strong, determined, active Presidential leadership. Make no mistake -- just take a look at the farm-city ratio in Congress if you think Farm Belt votes by themselves can pass anything, let alone legislation that generates knee-jerk opposition by the mere mention of the word farm.

These facts indicate to me that perhaps the most important referendum in the history of farming will take place next November, and in my opinion any farmer who goes into that referendum without knowing exactly where each candidate for every office stands ought to, as Harry Truman put it, have his head examined.

You have the right to a clear, direct statement of position from every candidate. You cannot afford to settle for weasel-word cries for "change."

You have the right -- the obligation -- to ask, "what change, and exactly how?"

I am sure that you will do so.



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The subject Fred Heinkel assigned me for this morning is "Agriculture -- 1968 and Beyond," which has to do with the future. But before I begin, I hope you'll forgive me a short reference to the past.

As all of you know, Fred Heinkel had a lot to do himself with our farm programs in general and feed grains in particular. So coming here for this purpose brings back many memories.

Six days after I was sworn in as President Kennedy's Secretary of Agriculture in 1961, I invited Fred to Washington as chairman of a special task force to explore solutions for the dire emergency in feed grains.

"Dire emergency" was one of the kinder phrases the papers used to describe the situation we faced in feed grains. Our biggest worry, back then, was what to do with half a billion bushels of grain that might rot on the ground because there was no place to store it. This was no idle fear. If 1960 production levels had continued, it was as certain as anything can be that grain surpluses would soon overflow all the elevators and bins we had.

Already in storage were 2 billion bushels of corn, enough grain sorghum to last a year and a half, plus a two-year supply of wheat.

Remarks of Secretary of Agriculture Orville L. Freeman at the 1968 Feed Grain Signup Meeting, Thursday, February 8, 1968, 9:30 AM, CST, Kansas City, Missouri.

All the signs were bright red with danger signals. Feed grain prices were dropping each year; the standing room only signs were hung out on grain bins all over the Nation, and more was on the way.

Unless we could find some answers, feed grain stocks would mount another 300 or 400 million bushels within the year, with disastrous results to farmers, the livestock industry, and rural America in general.

That was the situation in 1961 when Fred Heinkel, his fellow committee members, myself, the Congress, and some of you here in the room began to look for answers.

Most people, including the chairmen of the committees in both Houses of Congress, said it was impossible to pass legislation in time for the 1961 crop. But we did it.

We came up with the Emergency Feed Grain Act in 1961, a voluntary program providing acreage reduction and price supports for corn and sorghum to those who complied.

It was the first major piece of legislation President Kennedy signed. I will never forget that day. On a rainy March 22, a Wednesday, Speaker of the House Sam Rayburn, "Mr. Sam," signed for his Chamber. The legislation was rushed over to Vice President Johnson's office, where he signed, and then to the White House where President Kennedy waited to sign it into law, short-cutting normal procedures by at least two days.

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Less than an hour later, Ed Jaenke and I were on our way to Omaha to attend a meeting like this one, and a few days later, farmers were signing up all over the country.

I think you will all agree that Fred Heinkel and his colleagues did their work well. A similar program, with some modification and improvement, is the basis for our farm programs today.

And they're good programs -- not perfect, but the best that we've ever had. We have direct payments now, and we have a system to move our farm products, in big amounts, for dollar sales overseas. We've gotten rid of the surpluses and we've raised farm income under these programs.

In 1966 we had the second highest net income in history. We slumped in 1967, as you all know, and now we're taking action to regain our momentum again. But the basic machinery is sound, and we can make it work even better.

A lot of time has passed since we began to shape these programs, and, as Shaw said, "We are made wise not by the recollections of our past, but by the responsibilities of our future." The responsibilities we face as farm leaders in this year of 1968 are both formidable and sobering.

A great many things are going to be decided this year, perhaps irrevocably. For instance --

1. Farmers, by the extent of their signup in the wheat, cotton and feed grain programs, will give the Congress an indication of how they feel about the present farm programs, and thereby have a very real influence on extension or termination of these programs.

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2. In feed grains especially, the extent of signup will sharply influence supplies and prices of feed grains in the coming marketing year, and subsequently the condition of the livestock industry.

3. Third, farmers and their organizations, by their support, opposition or neutrality, will have an important impact on the fate of various proposals for strategic reserves of grain and soybeans now before the Congress.

4. And finally, what amounts to a national referendum on farm programs will be held just 272 days from now. On that day, November 5, 1968, American voters will elect the President and the Congress that will either expand or kill the Food and Agriculture Act of 1965, if this Act is not extended by the present Congress.

Let's look at these decisions one at a time:

First, the signup:

The objective of the 1968 feed grain program is to strengthen prices and income by reducing total supplies. A big 1967 crop changed the previous supply and demand balance. We now have a 2 to 3 percent overproduction.

The 1968 program is designed to reverse this with an under-production of 2 to 3 percent, which means diverting roughly 30 million acres out of production -- about 10 million more than in 1967.

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If 30 million acres are diverted, this should help remove the threat of future overproduction of livestock. But at the same time, production will be adequate to maintain exports and keep reserves at an adequate -- but not excessive -- level.

(As in 1967, all farms taking part in the program may divert as little as 20 percent of their total feed grain base and qualify for price supports and loans.)

But the program will succeed in these goals only if we get high participation from farmers. In 1967 we saw how a small excess of feed grain production resulted in a substantial drop in the price of corn. Moreover, we are now seeing the results of weak program participation in some of the Midwestern states.

Even though a large volume of corn has been going under loan in the western part of the corn belt, its effect has been offset -- to a considerable extent anyway -- by grain that was not eligible for price support in the eastern corn belt, grain marketed without benefit of the loan program.

And so it is quite true that farmers have, in their own hands, the tools to boost corn prices in the coming year. One way to do this is with a good sign-up in the 1968 feed grain program, but that's not all we can do.

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The Department acted last year to extend resale to all grain, to expand it to commercial storage and to provide storage facilities around the Nation where they're in short supply. This is bargaining power, if farmers will continue to take advantage of it, together with the loan program.

In my opinion, the market over-reacted both to the shortage rumors of late 1966 and the present situation, when supplies are adequate, but not burdensome. What we're witnessing now is a waiting game played on a nationwide chessboard, between the trade and farmers. With a good sign-up, with passage of the strategic reserve legislation I'll discuss in a minute, and if farmers take advantage of all the tools at their command to hold grain until prices strengthen, I believe we can look for better feed grain prices later in the year.

Similarly in livestock: If farmers cut back livestock production modestly, prices should rally in 1968. But if they yield to the temptation of feeding cheap corn in great amounts, broiler, turkey, hog, and cattle prices will suffer.

In cotton, our problem is the reverse of grains and livestock. The reduction in stocks which took place as the result of the program, and also bad weather, makes it possible and desirable to increase production in 1968. The program is designed with this in mind.

We recognize that sharp declines in cotton production in 1966 and 1967 have created serious problems for ginner, warehousemen, cotton-seed crushers and suppliers.

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Increased production of cotton in 1968 should help this segment of the industry recover from the adjustments they made during the first two years of the program.

We want to produce adequate stocks of high-quality cotton in 1968; a volume corresponding roughly to the expected offtake.

We believe this can be done under the 1968 program.

The second point I'd like to discuss in detail is strategic reserves.

This isn't a new idea; the basic principle extends clear back to the ever-normal granary concept of the thirties. Its enactment is essential at this time.

In our present situation, farmers are bearing too much of the cost of building reserves back to a safe level, and this needs correcting.

Under present law, CCC has to dispose of its stocks as rapidly as possible, consistent with orderly marketing and the operation of the price support system. This obviously isn't compatible with the clear need, in today's uncertain world, of a reserve of key commodities.

Pending legislation, which this Administration supports and for which it has testified, would correct this.

What we're shooting for is a reserve in the hands of both farmers and government. In the farmer-held portion, which would be accomplished by modifications in the resale program, our target is 200 million bushels of wheat, 15 million tons of feed grains, and 30 million bushels of soybeans at the end of a marketing year.

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In the CCC portion, the target is 200 million bushels of wheat, 15 million tons of feed grains and 30 million bushels of soybeans. CCC stocks are now below this in all three commodities. If we had had the authority to build to this level last year, we could have provided some further support to prices.

I know you're interested in provisions to safeguard the re-entry of reserves into the market. Let me quote the Under Secretary's Senate testimony of two weeks ago on this in detail, because a lot of mis-information, some of it deliberate, had been disseminated on this whole question:

"Establishment of reserve stocks in farmer and CCC ownership represents only one key element in the reserve. Of equal importance are the terms under which the reserve could be used.

"First, it should be clearly understood that in a grave national emergency, special powers of the President would take precedence over other provisions of law. The government-owned reserve could be used in that case as directed by the President, notwithstanding other statutes.

"S. 2743 (the bill on which he testified) would set the minimum sale price for Government-owned stocks of wheat at 100 percent of parity (less the current cost of the marketing certificate to processors) when total stocks at the end of the marketing year were expected to be 350 million bushels or less. This higher resale price would be the chief means of safeguarding the wheat in the Government-owned security reserve. I recommend that the level be raised to 400 million bushels at which this minimum sales price takes effect.

"For feed grains, the level would be raised from 25 to 30 million tons at which the minimum sale price of 100 percent of parity less the value of the effective price support takes effect. For soybeans, the level at which the minimum sale price of 100 percent of parity takes effect would be raised from 35 to 60 million bushels.

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"Increasing these levels as indicated will place a larger quantity of grain under the protection of a relatively high resale price. It would reassure consumers that adequate stocks would be available in case of an emergency, while guaranteeing farmers that the security reserve could not be used to hold down farm prices." End quote.

Here, as in so many previous battles over farm programs, a strategic reserve is supported by every general farm organization save one. It's the old game of odd-man-out.

We lost this fight in the last session when the Purcell bill failed of passage -- and along with it we lost an estimated \$300 to \$400 million in extra income that strengthened prices would have brought to farmers. We dare not lose it again this time.

Which brings me to my final point, the "national referendum" on farm programs next November 5.

Without these farm programs we face the one-third drop in net farm income predicted by independent surveys of the Land Grant Colleges, Presidential Commissions and the Congress.

This wouldn't be any short-time shakeout, "separating the men from the boys," as some would have us believe. The capacity for over-production in the grains is a long-term phenomenon.

I'm sure you're familiar with the study done by the Center for Agricultural and Economic Development at Iowa State University for the Food and Fiber Commission. But let's refresh our memories. This report says that even by 1980, in the absence of programs, wheat would sell for \$1.27 a bushel, with no offsetting certificates, corn at 75 cents a bushel with no diversion payments; soybeans at \$1.23 a bushel.

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Gentlemen, there are more than 20 bills before the congress to today that would abolish all or parts of our wheat and feed grain programs. What would the end of his program mean, for example, to a farmer with a 100-acre corn base, with an 80-bushel yield.

At even 85 cents a bushel, 10 cents higher than the price predicted in the study I just mentioned, a farmer's return on that hundred acres would be \$6,800 in the absence of supply-management program.

Under the present program, even in the low-price year of 1967, the average return was \$1.26 a bushel on the entire production, a figure arrived at as follows: The average price was \$1.07 a bushel, plus price support payments of 19 cents. Diverting 20 percent of his 100-acre base, the operator had a 1967 gross return of \$8,048. He also saved about \$650 in production costs on the 20 acres diverted to conserving uses.

Per bushel, the difference is 41 cents -- in your billfold or out of it -- take your choice.

The Food and Agriculture Act won't stay on the books if we don't fight for it. In 1965 it passed the House by only 49 votes. Today, 53 of the "yea" votes are no longer in the Congress.

Of 435 Representatives in the 90th Congress, only 47 represent districts having 20 percent or more farm population. Fewer than one House district in three has as much as 10 percent farm population.

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What this means, is that without strong Presidential leadership, no meaningful commodity legislation can be expected to pass the Congress in the years ahead. It just isn't in the cards. In short, the Presidential election this year is more important to farmers than ever before in our history.

I know that you believe in farm programs. We both know they can be improved, and by working together we can improve them. We have a four year bill for the first time in history. We now have before the Congress the kind of strategic reserve bill we've all wanted, and fought for, over the years.

You have a right and an obligation to find out where the candidates for President and other offices stand on farm programs. Start with the feed grain program now on the books. Find out if it has the candidate's unequivocal support and, if not, how he would improve it.

Let me make one more request. When you return home, please join with the Department and your fellow farmers all over the Nation to assure a sign-up that will make the 1968 feed grain program the most successful of the eight we have launched at this historic series of meetings.

You owe it to yourself and your Nation.

Thank you. I'll now try to answer any questions you have.

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As we approach the year 2000 and the turn of the century, predicting the future grows more popular.

I recently read a prediction for the near future that went like this:

"The world will not be the same place 10 or 20 years hence: either hell will have broken out, or we shall all have learned how to cooperate much more intensively and on a world scale."

All of us here agree, I'm sure, that the world will not be the same place 10 or 20 years from today, but not all of us, I'm afraid, are as certain that hell will not have broken out.

Some feel hell is inevitable, and are already deciding who should live and who should die -- who will get the empty bowls -- in 10 or 15 years.

But most of us believe with the Committee on the World Food Crisis that man can mobilize his capabilities to fashion a world that can sustain humankind "in dignity, without want," or we would not be at this second International Conference on War on Hunger.

You would long since have left the front, conscience sheathed, suffering from spiked ambition and undone dreams.

But instead you are still here, believing that we can all learn how to cooperate as Nations and as individuals much more intensively and on a world scale.

Address by Secretary of Agriculture Orville L. Freeman at the Second International Conference on War on Hunger, noon, February 20, 1968, in the Washington Hilton Hotel, Washington, D. C.

I believe that, too, and I want to report to you today what I think are some hopeful signs that we are on the road to the kind of cooperation, to the comprehensive approach that must be taken, the only approach that can win this war on hunger.

And I think that I can best make my basic point here by reminding you that if I had said "we are on the road" in addressing this gathering five years ago, I would have meant by "we" the United States of America.

And most of you here meant the same thing when you have said over the years "we" must solve the hunger problem.

That was a fine, humanitarian attitude and it led this country to fine, humanitarian programs that kept millions of our friends overseas from starving to death.

But it didn't work.

The President's Science Advisory Committee panel on the World Food Problem summed it up very simply when it reported last May: "... There are more hungry mouths to feed in the world today than ever before in history."

This despite billions of dollars spent in food and technical aid, despite millions of tons of food shipped to the hungry, and despite heroic efforts -- and achievements -- of scores of volunteer groups.

The report of the President's Committee is an indictment and at the same time an awesome challenge. I am more confident today that we can meet that challenge than I would have been five years ago, because when I say "we" today I am not talking about the United States alone -- I am talking about many countries, developed and developing, working within a broad frame toward the same goal: world freedom from hunger.

The United States was a pioneer in recognizing the need for more food in most of the world.

The United States was a pioneer in efforts to supply that food.

And, most important, it was a pioneer in developing action programs recognizing the fact that the war on hunger can not be won in the heartlands of North America, that it must be waged -- and won -- where hunger is, and that it must be waged by all Nations, developed and developing.

Recently there have been exciting achievements in the world approach -- such things as the India Aid Consortium, the U. N. World Food Program, and the International Grains Arrangement, with its Food Aid Convention, now pending before the United States Senate.

Other speakers today will, I am sure, discuss these and other global tools. I want to talk with you for the next few minutes about what I consider to be the most important tool ever fashioned anywhere to fill those empty bowls around the world.

I am referring to the Agricultural Trade Development and Assistance Act of 1954, as amended, commonly known as Public Law 480.

In my opinion we were near the road to the cooperative effort necessary to win the war on hunger with the passage of P.L. 480 in 1954, but it was only an approach.

The Act did help save millions from starving, it did help work off huge commodity surpluses, and it did give some poor countries a leg up toward a working, growing economy.

But it was tailored to a United States agriculture of surplus, an agriculture of magnificent productivity, but an agriculture that, in the end, would not alone be able to close the gap between food and people.

And progress in the developing countries was too slow for them to close this gap by themselves.

Something had to be done. We were on a collision course.

Under President Johnson's leadership, P.L. 480 was overhauled by the Congress in 1966. I firmly believe that it was at this point we turned the corner onto the road we must travel, the road of joint, international effort including both the developed and the less developed world -- the only way the war on hunger can be won.

The Act we work under today shows that we have matured as we have fought the war on hunger, that we know infinitely more than we did a few years ago about the ingredients of agricultural development and what it will take before the world is able to feed itself.

P.L. 480 as amended in 1966 says that to qualify for U.S. aid, developing countries must take positive steps to provide by their own efforts more and more of their own food from their own resources.

It acknowledges that some countries are very poor, and it continues the food donations to buy them the time they must have to reach the point where they can begin to help themselves.

It recognizes that population is the Sword of Damocles in the food crisis and it makes available funds for voluntary family planning.

It understands that every country that can must contribute products, money, services and talents in finding solutions, and supports the expansion of international food and agricultural assistance programs.

It recognizes the stunting effects -- physical and mental -- of malnutrition and provides for means to improve the nutritional content of U.S. food assistance.

It recognizes that the bedrock cause of hunger is poverty, and links food aid and economic assistance, looking to the day when the people of every country, by their own efforts and with our help and that of other Nations, can get out of the breadline and into the marketplace.

And, finally, the P.L. 480 food aid program recognizes that the United States no longer has stockpiles of surplus. Under the new Act, we take into consideration food aid requirements as we do domestic and commercial export requirements in setting national goals and tailoring our production accordingly.

In other words, we have substituted for surplus production reserve acreage, acreage that can be used to produce whatever is needed whenever it is needed for U.S. use, for commercial exports and for food aid to hungry Nations.

This program is geared to a hard reality, one that we can't dodge: The fact that there will be problems of surplus in some parts of the world at the same time as there are problems of shortage in others for some years to come.

This means that the Secretary of Agriculture must determine what domestic farm programs to use and how to use them to meet the demands of P.L. 480 and of the commercial trade.

He walks the tight rope. It is up to him to keep the balance between scarcity and surplus. He must use the Food and Agriculture Act of 1965 to move acres in and out of production as needed to meet domestic and world commitments while bolstering the American farm economy in the process.

This puts tremendous pressure on the forecast of next year's crop, not only in this country, but around the world. And when you consider that as little as 3 percent oversupply can drop the price of grain 10 percent or more you can understand why I face these forecasts with an attitude similar to that of the Astronaut-Physicist who was boarding the capsule for his first space shot.

He was carrying a rabbit's foot, and somebody said that surely he, a practical scientist, didn't believe in a rabbit's foot.

"I don't," he replied, "but the guy who gave it to me said it works whether you believe in it or not."

I would like to get rid of that rabbit's foot, and there are proposals before the Congress now that would help me to do so. They are proposals to create a strategic grain reserve, and I would appreciate mightily any support any of you would give for such a reserve.

The reserve would serve three principal purposes: It would give us a food cushion, it would help stabilize farm prices, and it would take some of the pressure off the Secretary of Agriculture in his production decisions.

But I did not come here to tell you the problems of the Secretary of Agriculture. I came here to talk about P.L. 480 as our best weapon for ending the World Food Crisis, as a tool to be used in partnership with a developing country to help that country along the road to the economic strength without which its food problems will never be solved.

I can report that there is clear evidence that P.L. 480, in the past a crutch in many countries, is becoming increasingly a tool, that self-help partnerships are working.

Developing countries -- sleeping giants of unmet needs -- are coming awake under this stimulus.

Nations that once depended chiefly on aid are able to turn increasingly to trade to meet their needs.

And as incomes grow in most poorer countries, a very high proportion of that income increase is spent for food.

We have found that as developing countries improve their per capita income by 10 percent, their commercial imports of commodities from all countries increase by 11 percent while their commercial imports of U.S. agricultural products increase by 13 percent.

With this in mind, we can get a good idea of people's income gains -- of the economic growth -- in developing Nations by comparing their food aid and their food trade in a given period. Take wheat over five years.

In Fiscal Year 1962, the United States exported 12.2 million metric tons of wheat under P.L. 480 to developing Nations. At the same time they bought commercially from the United States about 1.7 million metric tons.

By Fiscal 1967, these same countries received 11.5 million metric tons under P.L. 480, down seven-tenths of a million, while their commercial buying more than doubled to nearly 3.8 million metric tons.

Let me give you some specific examples.

In Fiscal '62 Israel got 166,000 tons of wheat from the U.S. under P.L. 480 and bought 105,000 tons commercially. By 1967, the P.L. 480 shipments had been cut in half and the commercial buying had been increased by almost half.

During this same period South Korea's P.L. 480 wheat imports dropped from 337,000 tons to 331,000 while its commercial imports went up more than 13 times, from 26,000 tons to 341,000 tons.

Taiwan's P.L. 480 wheat imports dropped from 325,000 tons in '62 to zero in '67. Its commercial buying from us went from 9,000 tons to 280,000 tons.

Let's take a quick look at what has happened to dollar buying of U.S. farm products by some of the developing countries since 1955.

Compare the years 1955 to '59 with the years 1963 to '67 and you'll find some gains that are exciting -- even startling.

Taiwan's dollar buying has increased 16 times, Spain's 15 times, Iran is up 9 times, Israel 4, Okinawa 5, Libya 4, Hong Kong $1\frac{1}{2}$.

This is a good beginning, but we are working hard to write an increasingly better record, and I am confident that we can, because now the principle of self-help written into P.L. 480 in 1966 is clearly stated and clearly established.

Every P.L. 480 agreement signed since January 1, 1967, has contained self-help provisions aimed at clearing the way for improved farm production in each country -- provisions agreed to by each country.

This, I am certain, will spur most of these countries toward food sufficiency at a much faster rate than has been achieved in the past.

While it is too early to evaluate the full impact of the self-help agreements, there are signs already that they have helped.

The World Agricultural Situation report released today shows that the past year was one of record output for world agriculture, and, significantly, a record for the developing countries of the world.

Agricultural production per person in these countries, except for Communist Asia, increased by about 5 to 6 percent in 1967, bringing it back to the level of 1964 or slightly above.

Most of the developing countries with large populations -- notably India, Pakistan and Brazil -- made substantial gains in the production of grain and other foods.

Now I am not trying to tell you that the self-help emphasis in P.L. 480 was responsible for the bumper world crop. We know that, in toto, world growing conditions were ideal for a large crop, that conditions uniformly ranged from good to excellent in the grain-deficit countries of Europe, West Asia, and Latin America, and in India, Pakistan and Mainland China.

But I know that a good crop was made better in many countries because they put the technology and techniques required by P.L. 480 agreements to use.

India, for example, expecting a record harvest of about 95 million tons of food grains, has sharply increased its development spending (including foreign exchange) in agriculture; it has doubled its use of improved, high-yielding seed and almost doubled the availability of fertilizer -- and still fertilizer demand has outrun supply.

These are hopeful signs, but only signs, pointing toward a destination that remains a long way off.

Two thirds of the world remains hungry or malnourished -- millions almost beyond help of any kind, let alone self-help.

Public Law 480 continues to provide help for these millions through the donation of food. We are planning a steady increase in the volume of these commodities.

And, equally important, a major effort is being made under P.L. 480 to combat malnutrition and undernutrition, especially in children.

All of us here know that undernutrition -- too little to eat -- robs the body of energy and resistance to disease, and that malnutrition -- not enough of the right things to eat -- can stunt physical and mental growth.

This underdevelopment of human resources in my opinion is far more serious than underdevelopment of natural resources, for it is the people, not the terrain, who must lift up a Nation.

Important breakthroughs have been made in fortifying foods with proteins, both synthetic and derivatives of peanuts, soybeans and fish. Most of you are familiar with Vitasoy, the soft drink made in Hong Kong from soybeans; you know that wheat fortified with lysine has been shipped to India, and just last month I saw a copy of an ad in a Bombay newspaper advertising "Modern Bread -- fortified with lysine, enriched, vitaminized!"

I am told that this is the first commercial new protein food resulting from Department of Agriculture efforts and the first practical example of fortification with lysine.

It is a modest beginning, perhaps 100 million loaves a year, but it points the way toward achieving a better protein diet for all elements of a population, not just babies and children to whom our chief efforts today are directed.

To bolster the diets of these protein-starved youngsters, the Department has bought and shipped some 400 million pounds of a special formulation of corn, soy, milk and vitamins overseas to school lunch programs and special child-feeding programs.

The Department is investigating mass fortification methods in an effort to find ways to reach more children.

And the Department is encouraging the development of various protein beverages that will be as appealing as pop to children.

Let me say here that this area -- getting protein into growing young bodies -- is one in which the voluntary agencies can be of tremendous help. The fortified foods must be acceptable to the people who need them, and who knows better than those who live in their towns and travel their farms what they will like to eat?

We can make the stuff and ship it, but we need your help, your advice and your imagination to find the best way to get it into the most stomachs.

The story of the War on Hunger is a moving, gripping drama. It is a drama of suffering and need, of selflessness and sacrifice, of failure and frustration, but at the same time a drama of limited successes that give us hope that there can be a world without hunger.

Somehow this great story needs to be told to all the American people with an appeal for help and participation. Perhaps this could be done best with a television spectacular that would reach the minds and hearts of people all over this land. In the last analysis, the understanding and support of the American people must continue to grow if the War on Hunger is to be won.

If I have dwelt over-long and over-exclusively on P.L. 480 today -- it is because I am convinced that this law in its present form is working, that it has put us on the road to the complete cooperation that alone can win world freedom from hunger.

Within its frame, everyone can play a part -- Nations developed and developing, private business, voluntary groups, international agencies, and people themselves, the hungry and the fed.

P.L. 480, as you know, expires this year. The President has asked the Congress to renew it to speed the day when all the empty bowls will be filled. It is not appropriate at this point for me to discuss strategy. You will do that in due time.

May I conclude as I started, by saying I am completely persuaded that the War on Hunger can be won. In this room and scattered around the world are men and women with the skill, the energy, the will and the vision to do it -- the kind of whom Robert Louis Stevenson wrote in this view of man published 80 years ago:

"To touch the heart of his mystery, we find in him one thought, strange to the point of lunacy: the thought of duty; the thought of something owing to himself, to his neighbor, to his God; an ideal of decency, to which he would rise if it were possible; a limit of shame below which, if it be possible, he will not stoop ...

"... Of all earth's meteors, here at least is the most strange and consoling: that this ennobled lemur, this hair crowned bubble of dust, this inheritor of a few years and sorrow, should yet deny himself his rare delights, and add to his frequent pains and live for an ideal"

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I come to you today not as a professional educator, but rather as a public servant who has shared some of your experiences in trying to bring education up to date ... to gear it to meet late 20th Century problems and opportunities with more than early 20th century tools.

Whether I wanted to or not -- and I did -- I was thrust into the struggle for better education when I became Governor of Minnesota, a State with a justified reputation for educational excellence.

I was soon caught up -- by conviction as well as circumstance -- in efforts directed toward school reorganization and consolidation ... efforts specifically aimed at creating large enough units for effective programs.

At the same time I found myself actively involved in working for equalization, for, as a democrat with a small as well as a large "d", I felt a sharing of financial resources by richer school districts with poorer districts was the only way to give equality of opportunity to every pupil in the State.

Address by Secretary of Agriculture Orville L. Freeman before the 100th Annual Convention of the American Association of School Administrators, Convention Hall, Atlantic City, New Jersey, 10 a.m. (EST) Tuesday, Feb. 20, 1968

In the same manner, I worked for equitable geographic distribution of the State Colleges, again feeling these institutions ought to be established in such a manner that students from throughout the State had equal opportunity to attend college.

In the ensuing six years, I also worked with those who successfully initiated improved vocational education, vocational rehabilitation, the extension of the community college system, a long-term capital improvement program and a particular favorite of mine -- a program for exceptional children. Though the latter program concentrated on special training and special services for retarded youngsters, it also opened the door for specialized training of gifted boys and girls.

Those were richly rewarding years for me, and I must say I miss the direct day to day involvement with education that I had during that period. Nevertheless, as the Secretary of Agriculture I still find myself "not a little involved in education."

For over seven years I've welcomed the opportunity to work closely with land grant colleges and universities in every State, for the universities and the Department -- working together -- have made American agriculture the most productive in the world.

The land grant colleges were established, as you are well aware, with the aid of Federal land grants in 1862, the same year that the Department was founded. The Hatch Experiment Station Act in 1887 established agricultural experiment stations as departments of the land grant colleges, and provided for the Department of Agriculture's

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participation in their programs. This participation became the cement for a genuine and lasting partnership between the colleges and the Department.

Then, in 1914, the Cooperative Extension Service was founded as a unique Federal-State partnership to take the results of research in both the colleges and the Department directly to the farmers. Since then, this partnership has insured that agricultural research and resulting knowhow moves directly from the laboratories and lecture halls to the farms.

We in the Department today work with the American Association of Land Grant Colleges and Universities, as well as with the individual institutions. Joint committees deal with problems of mutual concern.

These universities have grown as our Nation's needs have grown. Today they constitute the most ambitious and fruitful system of higher education in the history of the world.

As Secretary of Agriculture I am also responsible for the USDA Graduate School, an adult education program that reaches more than 22,000 people, mostly employees of the Federal government, every year.

But there's still another reason I haven't lost touch with education. The President of the United States. No one who has frequent contact with the President could lose touch with education. He literally breathes education, bringing it into almost every conversation. I don't think there can be any reasonable doubt that this President is the most education-minded President in the history of this country.

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Consider what has taken place under his Administration:

Today 5.8 million undergraduates are attending college, 1.8 million more than there were four years ago. Five times as many college students, a million and a quarter in all, are receiving Federal assistance in the form of educational grants and loans.

Nine million boys and girls who have been educationally deprived are now benefiting from special classroom, teacher and library programs under the Elementary and Secondary Education Act.

More than 2 million adults have taken Federally-assisted vocational education courses -- 28 percent more than took them the previous four years. And the Cold War GI Bill is providing educational assistance to more than a quarter million veterans.

This is but a partial listing. All these things -- and many more -- came about because Lyndon Baines Johnson, who started his career as a teacher, believes the wisest investment a Government can make is in education, in developing brain power for this country.

Since 1963, Government expenditures for education have tripled -- rising from \$4 billion a year to \$12 billion.

These have been years of great progress in education but clearly much remains to be done. And a good deal of what remains to be done to meet tomorrow's requirements lies outside those metropolitan areas of this country that tend to capture most of the attention.

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Today I want to talk about discrepancies -- discrepancies between the quality and the quantity of education in rural and in urban America ... discrepancies that cry out for the attention of all who believe that every American boy and girl -- wherever born -- is entitled to equality of educational opportunity.

In 1960, there were more than 700,000 adults in rural America who had never enrolled in school. More than 3 million others had less than five years of school and are classified as functional illiterates. More than 19 million others had not completed high school.

So much for adults. How about today's rural youth?

Let me quote from the report of the President's National Advisory Commission on Rural Poverty, issued last September under the appropriate title: "The People Left Behind":

"This pool of adults with low levels of educational achievement is being fed by a stream of rural youth. More than 2.3 million rural youth aged 14 through 24 dropped out of school before graduating in 1960. About 8.7 percent of them -- some 199,000 -- completed less than 5 years of schooling."

By any measuring stick, rural youth are not getting the education they need and deserve.

-- School buildings, facilities, curricula, programs and teachers do not measure up to urban standards.

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-- In 1966, virtually all of this Nation's remaining one-room schools were in rural areas.

-- Low salaries discourage attracting and holding better teachers in rural schools.

-- The percentage of rural teachers not properly certified is about twice as high as for urban teachers.

-- Counseling of rural students is limited and frequently lacking.

These factors combine to produce such statistics as these:

-- The drop-out rate is highest among rural high school students.

-- Rural students score lower on verbal facility -- as well as many other -- tests when measured against their urban counterparts.

-- In 1960, only half the proportion of rural youth as urban youth enrolled in college.

-- The rural youth who did go on to college scored lower on entrance examinations and more often had preparation deficiencies that had to be made up.

Why, in this era of unprecedented respect for education -- and in this era of unprecedented prosperity -- do we still have so many rural schools that do not even measure up to the modest standards

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described by James Conant, much less the higher standards advocated by other educators?

Primarily, because our prosperity has not yet washed into a great many rural areas. Too many small communities simply do not have the financial resources to provide adequate systems.

Let's take a look at rural America.

Rural America is paradoxical. There are prosperous farmers and poor farmers; there are progressive rural communities, and there are rural slums. There are booming population centers, and sections of whole States and regions in decline. So it is dangerous to generalize.

But this much we know for certain:

-- With a little more than a fourth of the Nation's total population -- 54,000,000 measured against 204,000,000 -- rural America has nearly half the total poverty of the Nation. One of every eight persons in metropolitan centers lives in poverty. One of every four lives in poverty in rural America.

-- Underemployment of rural people amounts, in effect, to about 15 percent of those between 20 and 64 being unemployed. This is all the more distressing when contrasted against the national unemployment rate of only 3.5 percent.

-- The annual number of new jobs added in the countryside is only two-thirds the number needed to stop the flow of people to urban centers.

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-- Half of the poor homes in America are in rural areas.
A million are unfit for habitation.

-- Rural residents have roughly half the number of doctors per 100,000 people as city people, and only a third the number of dentists proportionately.

-- At least 29,000 rural communities are desperately in need of improved water and sewer systems, and thousands more need other community facilities.

Combined with the traditional lure of the cities, and the traditional tendency for industry to locate where other industry already is located in urban areas, the present deficiencies and inadequacies and frustrations of rural America continue to encourage a farm-to-city migration that has been underway for a hundred years or more ... and continue to aggravate what I consider America's most crucial long term basic domestic problem -- the problem of rural-urban imbalance.

Today -- because of unplanned rural depopulation and unplanned metropolitan impaction -- 70 percent of our people are living on only 1 percent of the land. We'll add another 100 million Americans to the scene in the next 32 years and by that time -- unless something is done to stop the trend -- some 240 million of us will be crushed into urban areas occupying only 4 percent of the total land area of this spacious Nation!

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So ... we have a countryside replete with natural beauty, open space, fresh air, pure water, going begging for jobs and people ... and we have cities smothered by smog, filled with ugly tensions, and overwhelmed by the problems of too little space for too many people.

Does this make sense? The experts tell us it will take a trillion dollars to put our cities into shape. I won't argue with that. Indeed, I believe we must do everything we can do to save our cities and make them what they should be.

But I have said over and over and over again that the problems of the cities will never be completely cured until the problems of rural America are attacked with equal vigor.

If we can stop the flow of people into our cities -- an influx of some 600,000 rural migrants a year -- we can give our cities a breather in their Herculean efforts just to stay abreast of their present crises.

But we can only do this by adopting a firm national policy, a total commitment to restoring rural-urban balance by creating a rural renaissance ... by building into rural America jobs and economic, social, cultural -- and educational -- opportunity on a par with the cities. I am convinced that little can be done to develop rural education until far more is done to develop the total rural community. And by the same token rural development is impossible without a sound educational program.

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Though we have not yet clearly enunciated such a national policy, the job of rebuilding rural America has begun. An array of Federal programs has been initiated, programs made possible by the Rural Water Systems and Sanitation Act, the Housing and Urban Development Act, the Appalachian Regional Development Act, the Manpower Training and Development Act, the Public Works and Economic Development Act, the Elementary and Secondary Education Act, and the Food and Agriculture Act of 1965, and many, many State and local government programs.

My own Department of Agriculture has mounted a frontal attack on the problems of rural America. Operating loans and grants to farmers from the Farmers Home Administration have increased 60 percent since 1960. Loans to promote farm ownership by small farmers have increased five-fold. Economic opportunity loans are helping a growing number of farm and non-farm people set up small businesses. Credit for rural housing will be nearly 13 times as great this year as it was in 1960.

Funds to build modern water and sewer systems for rural communities have risen from less than \$2 million in fiscal 1961 to almost \$200 million in fiscal 1967. Last year alone these funds helped build or improve 1,100 systems.

We have made a start toward retraining displaced farm and rural people for new economic roles -- a start toward attracting new industry to rural America -- a start toward improving and developing all the resources of the countryside through Federal, State and local action.

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Under Executive Order 11307, the President has asked the Federal Departments to work together to help people in rural areas in their total community development. This, what we call "Outreach," is coordinated through USDA's Rural Community Development Service in Washington and is carried out in every one of America's 3,000 rural counties by Technical Action Panels.

These Technical Action Panels, made up of USDA officials and other Federal, State and local government leaders, also coordinate USDA programs and work with local leadership to use the new Federal community development "tools." They seek to stimulate and to guide local leadership to the help available.

These breakthroughs already have had a significant effect. The outmigration from the countryside has been slowed -- dropping from nearly a million a year eight years ago to less than 600,000 a year today. And the proportion of new jobs created in the countryside has increased in the same period as industry has discovered the advantages and possibilities of rural location.

But this is a big, diverse country, and Federal actions alone won't solve rural America's problems and build a new town and country U.S.A. Nobody in Washington can pre-package a cure, or a plan, and ship it out, and make it work. The Federal Government has some 500 programs that can help, but making them work takes local initiative, local leadership and local planning.

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And that is where you come in.

I've come here today to challenge you -- as experienced educators, as trained and persuasive leaders -- to provide the initiative and the influence required to get your communities moving ahead.

I've come to you because the education problems you have confronted professionally are much like the problems of rural community development. Hence you are eminently qualified to provide broad community leadership, just as you provide educational leadership. Really -- the two can't be separated.

Let me explain:

Rural school systems were organized in another era -- when travel was limited and it was impossible to have rural pupils in larger units ... and when the educational needs of the day were much less complex.

Many of those systems today are obsolete. You know first hand how difficult it is to change them. You know how reluctant the voters of local school administrative units are to consolidate districts and organize an effective unit. And you also know how costly -- in terms of poor education -- it is to cling to those limited and inadequate systems.

The same thing is true in total rural community development.

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We have already learned that the key to proper development lies in comprehensive planning, preferably on a multi-county basis. We have learned that it is extremely difficult for a single rural county to offer a full set of community services of the calibre needed for sustained growth. But we have also learned that a group of counties, usually with a small or medium-sized city at its center, within easy commuting range, can provide both local resources and the framework needed to make full use of Federal and State programs for development.

If Federal and State programs to assist development are available -- and they are -- and if the potential for multi-county structuring is there -- and it is -- what more is required?

The answer is leadership. And that means you. You are required. You and people like you who have the ability to raise a community's sights, to persuade it to tear down its provincial barricades and join with its neighbors for the common good. The kind of leadership that can stir people to think big and act big.

An economist from Iowa State University recently told me that the multi-county approach is the only hope in Iowa, where there are 700 towns of 1,000 population or less, where in many of these towns the Social Security check is the economic base and school bond votes are utterly futile, where the youngsters leave for the city as soon as they can.

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"The crucial part of persuading counties to join with one another," he said, "is getting the people of the individual counties to think of the multi-county area as their community, their home town. It may be easy for them to accept this concept in economic terms ... but it is difficult for them to accept it sociologically and politically."

This is where you come in. This is your challenge. And it can be done. It has already been done in parts of Iowa, in Kentucky, in Georgia and in a number of other States. And it is working.

Industry is moving into these districts. New jobs mean new homes. New homes mean employment and an expanded tax base. An expanded tax base means even better community services and facilities -- including better schools.

A fully operative multi-county district may be all that it takes to:

-- Plan a reorganization of administrative units creating school districts large enough for two or more adequate high schools.

-- Plan attendance units for effective education at both primary and secondary levels.

-- Develop a community and/or technical college for one or more districts to provide junior college level courses or technical and vocational education.

-- Add specialists in counseling, remedial reading, speech therapy and other needs that can be shared if necessary by the schools in the planning district.

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-- Develop a district-wide taxing and tuition base to be augmented by each administrative unit.

I repeat -- all of this and more is happening all around the country. A rural renaissance is getting underway. Many of the tools to carry it forward are waiting to be used. The great need now, as the kids would say, is "go go leadership."

Now, in closing, let me call your attention to a bill now before the Congress that will be of crucial importance to community self-help efforts.

This bill -- called the 701 planning amendment -- sets up a new category of primarily rural districts that can get Federal planning help. It defines district as one or more counties and one or more other local government units, to be designated by the State Governor, and it authorizes at least \$20 million in the HUD budget for grants to State planning and development agencies or other agencies designated by the governor to finance planning in such local districts.

It also provides more Federal technical help to get district planning programs started, and it broadens the concept of planning to comprehensive planning that emphasizes people as well as land in every district plan.

This bill provides the framework and the fiscal muscle to give even the most destitute regions a chance to shape their own change. It provides rural education with a golden opportunity to make the

breakthrough so necessary to elevate it to the standards today's demands require.

I hope what I've had to say today may inspire in you the same kind of personal reaction John Fischer reported in his January "Easy Chair" column in Harper's.

"I had a feeling," Fischer wrote, "that I have been given a glimpse of the exciting time just ahead. It may be a time when we find a new national purpose: to resettle the deserted hinterland, to discover ways of moving people and jobs away from Megalopolis before it becomes both uninhabitable and ungovernable. It may be a period when we invent new ways to govern the modern State, as we invented the machinery for settling and governing an empty continent two hundred years ago. Certainly it will be a period of political realignment -- possibly more drastic than anything yet imagined by the despairing youngsters of the New Left or the frightened oldsters of the Extreme Right."

Thank you.

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UNITED STATES DEPARTMENT OF AGRICULTURE

For P.M. Release Feb. 26

Washington, Feb. 23, 1968

Statement by Secretary Orville L. Freeman following release of a major study -- Dietary Levels of Households in the United States:

"Today, the Department of Agriculture is releasing the preliminary report, 'Dietary Levels of Households in the United States.' It is an important part of the 1965 nationwide survey of food consumption, conducted by the Agricultural Research Service.

"The report indicates that despite higher income, and the fact that Americans may choose from among the greatest abundance and variety of wholesome nutritious food at the lowest real cost of anytime in our history, there has resulted a somewhat adverse shift in food habits and some change in national dietary levels.

"Although amounts of food used in U.S. households were sufficient, on the average, to provide diets meeting the Recommended Dietary Allowances set by the Food and Nutrition Board of the National Academy of Sciences-National Research Council, the real issue was in the great variation of food use from household to household.

"By all indications, emphasis on nutrition education has not kept pace with the increased need for nutrition programs resulting from population growth, changes in food technology, and the encouraged use of specific food products through promotional activities.

"On the basis of the study findings, I am directing an expanded nutrition education program by the Department. Priorities have been set and the thrust of the program will immediately be directed toward:

- children and young families
- low income families
- the aged
- the general population.

"Significantly the report shows:

- (1) Ninety percent or more of all the household diets supplied the recommended allowances for protein, iron, thiamine, and riboflavin.
- (2) The nutrients most often in short supply were calcium, vitamin A and ascorbic acid. Seventy percent of the diets supplied the allowance for calcium, and about 75 percent for vitamin A and ascorbic acid. Nutrient shortages were associated with use of less-than-recommended amounts of ~~milk and milk products~~ and vegetables and ~~fruit~~.
- (3) Half of the households had diets that were good in all the nutrients measured, but this is down from 60 percent a decade ago. Some 21 percent of all households had poor diets, up from 15 percent in 1955.
- (4) In households with incomes under \$3,000, over one-third, 36 percent, had poor diets. Yet, low income households had greater returns in calories and nutrients per food dollar, on the average, than households with higher incomes.
- (5) At each successively higher level of income a greater percentage of households had good diets but high income alone was no assurance of good diets.

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USDA 610-68

"From this, we must conclude that many Americans are making a poor choice -- nutritionally -- of our food abundance, and that to a large extent income does not determine good nutrition. There are many influences and much competition for the food dollar, and the dollars spent may not relate to good nutritional value. There is need for better nutrition information to help guide people in decision making.

"There are areas of mutual interest and responsibility shared by Federal, State and local government, the Nation's health authorities, the food industry, professional home economists and nutritionists, food editors, and the mass media. I urge their cooperation.

"The dietary levels study shows clearly that our eating habits have changed, as reflected by the lower intake of foods which supply needed calcium, vitamin A and ascorbic acid. The study notes a 10 percent decline in the consumption of fresh milk, and other dairy products that are primary sources of calcium.

"Enrichment of flour, breads, and cereals is a partial answer to adding amounts of needed nutrients to the diet.

"Thirty States and Puerto Rico have flour enrichment laws. Manufacturers of ingredients used in the enrichment of flour sell annually an amount of these sufficient to enrich 60 percent of all flour produced annually in the U.S. for commercial and home use. It should be noted that presently there is no requirement for enrichment of any bakery product other than bread.

"I am asking the millers and the bakery industry to review the possibility of uniform enrichment, which might also include calcium -- now an optional ingredient.

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"There is also the possibility of enriching dried milk for domestic use. We are pursuing this intensively in cooperation with the Food and Drug Administration.

"Within USDA, I am instructing the Consumer and Marketing Service to review present food purchasing practices and standards, with an eye to improving or increasing certain nutrients in foods purchased for the Commodity Distribution Programs. These programs affect some 3-1/2 million needy persons, and over 21 million school children.

"As the survey indicated, among households with incomes of \$3,000 and under, 36 percent had poor diets. We will concentrate further on the improvement of dietary levels in this target group through maximum use of the Federal food assistance programs coupled with nutrition education. Increased education is particularly essential here, for the growing numbers of Food Stamp families, who shop at local markets and are faced with the same choices as other people. They must be encouraged to shop for the best nutritional values for purchases made.

"Also, the Department will use additional means to increase the levels of calcium, vitamin A and ascorbic acid through the School Lunch, and Breakfast Programs.

"Those aspects of the Department's nutrition education program which should be expanded and intensified immediately are:

- Use of program aides working with low income families in the families' homes.

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USDA 610-68

- Increased activity in evaluating, interpreting, and synthesizing the findings of food and nutrition research to develop an effective supply of guidance materials for use by nutrition committees, local extension staff, and other individuals who teach the basics of nutrition and good diets.
- Developing and distributing materials related specifically to donated foods used in the School Lunch Program and the commodity distribution program. The materials on menu planning and nutrition would be made available to school lunch managers and dieticians. Recipes and brief descriptions of food values and how to use donated foods would be directed toward program participants. County extension personnel and program aides would serve as the catalysts to encourage the use of these materials.

"In addition to the immediate priorities, an all-out effort for nutrition education in USDA to assure complete and continuing coverage involves:

- Expanded activities of the Interagency Committee on Nutrition Education by providing assistance to States and local communities to assure continual coordination and communication about nutrition education programs.
- Use of mobile teaching units especially equipped for demonstrations to be used in remote rural areas and low income housing centers.
- Expanding the use of program aides in all rural and urban areas of the nation with primary efforts directed towards improving the dietary habits of low income families and families with young children.

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"An all-out effort in nutrition education will require the cooperation of all Federal, quasi-official, and voluntary agencies that have responsibility for a nutrition education component to their programs.

"I am calling on the Federal Extension Service to advance its nutrition education programs with renewed emphasis in a contemporary and resourceful manner to 4-H and other youth groups, the nation's homemakers, with emphasis on low income families, and the people who work with them.

"I am requesting the Agricultural Research Service to intensify its development of research-based nutrition materials, including guides to wise food choices and use. Such materials are essential to backstop any concerted effort of government, industry, and the mass media to improve the dietary levels of the Nation.

"The interest and cooperation of food processors would have to be enlisted to improve the nutritive value of foods they prepare for the consumer.

"Historically, the food industry and mass media have joined with the Department of Agriculture in presenting appropriate food and nutrition information to the American public. This cooperation is further encouraged now. Hopefully, this may lead to new and imaginative approaches aimed at stimulating nutrition knowledge which will help us make the wisest use of our 'freedom of choice.'"

For P.M. Release Feb. 26



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Washington, Feb. 27, 1968

Secretary Freeman Announces Publication of a Major Reference Work:

Secretary of Agriculture Orville L. Freeman announced today publication of the first 10 volumes of the Dictionary Catalog of the National Agricultural Library, 1862-1965. The complete work should be available by the end of 1968 or early in 1969.

The Dictionary Catalog is the most comprehensive agricultural catalog in the world. It includes close to 1,500,000 author, title and subject cards, arranged in a single alphabet, for all books and journals added to the National Agricultural Library collection from 1862 through 1965. The final volume will include an alphabetical list of periodical articles translated from other languages which are in the collection.

Availability of the printed catalog enables scientific and research personnel, regardless of their physical location, to determine promptly what published information is available in the National Agricultural Library. The Library's collecting policy interprets Agriculture in its broadest sense, to include all subject fields basic and allied to agriculture. In addition to comprehensive coverage of general agricultural materials, the collection is particularly strong in such fields as Chemistry, Botany, Veterinary Medicine, Forestry, Entomology, Agricultural Economics and Agricultural Statistics. Publications of interest are **obtained from all parts of the world.**

Publication of the Dictionary Catalog of the National Agricultural Library, 1862-1965, will be completed in approximately 68 bound volumes,

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with close to 800 pages in each volume. Price for the set is estimated at \$952 for orders received by the publisher prior to July 1, 1968; after that date, the cost will be about \$1,360, except to agencies of the United States government.

The Dictionary Catalog is kept up-to-date by the National Agricultural Library Catalog which has been published monthly since January 1966. The cost of an annual subscription is \$72.

Purchase information about the Library's catalogs, including details of a budget purchase plan for the Dictionary Catalog, is available from the publishers, Rowman and Littlefield, Inc., 84 Fifth Avenue, New York, New York 10011.

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UNITED STATES DEPARTMENT OF AGRICULTURE

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The Rural Challenge to the Cities

Young people in college today have the opportunity to learn more and must study harder than when I was in school. At least that is my conclusion from talking with and observing my son and daughter, both of whom are in college. And whether young people go to college or not, it seems to me that there are more opportunities available for self-fulfillment in meaningful work than ever before.

Yet even with the opportunities available, there seems to be more discontent, more alienation, more aimless violence, and less faith in our future as a nation than ever before.

Many of our ablest minds are concerned with this problem, but somehow or other the difficulties seem to multiply. One after another, suggestions flow forth to be neglected or found wanting. A "crash" program here or there offers a temporary palliative to some deep-seated problem, but is often abandoned when the crisis which called it forth passes.

Address by Secretary of Agriculture Orville L. Freeman at the first Edward T. T. Williams Convocation, 25th Anniversary of Fairleigh-Dickinson University at Edward Williams College, Hackensack, New Jersey, 11 a.m. March 5, 1968.

It is easier, of course, to criticize than to make a constructive proposal, and it is tempting to call on someone else for solutions for what appear to be impossible situations. Unfortunately, most speeches deal with problems rather than solutions. It is my hope that during the three days of this seminar we can do more than criticize and pose problems; that we will at least develop a comprehensive approach to relationships between the countryside and the city. This specific challenge, which I call rural-urban balance, is where I believe some of today's problems originate and where they must be solved.

As a preliminary to the much more detailed discussions, which will be led by experts from the Department of Agriculture, other government agencies, the universities, and private industry, I propose to outline some of agriculture's achievements and problems, to mention some of agriculture's contributions to the national economy and government, to explore possible ways in which agriculture's long experiences in what President Johnson calls creative Federalism might relate to urban problems, and to pinpoint the fact that unsolved rural problems add to the difficulties of the cities.

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Farming is one of America's great success stories, both in the production of food and fiber and in contributing to the growth of the United States. One hundred years ago, each farmworker supplied 5 people with farm products. Twenty-five years ago, when this university was founded, one farmworker supplied 13, but today he provides for 40.

The average American is better fed at less cost in terms of percentage of income than anyone before in human history. And we are helping, through food and technical assistance, to banish the threat of famine from other parts of the world.

There is no doubt that the world problem is grave, because the stork threatens to outrun the plow. But I feel, as I say in my forthcoming book, World Without Hunger, that if we commit ourselves to the necessary effort, this age-old battle can be won. We may be on the threshold of an agricultural revolution in many of the hungry nations of the less developed world, particularly in Asia. Favorable food grain prices and new, high yielding varieties of grain seem to be triggering this revolution, with yields in the developing countries up 6 percent in 1967 over the 1966 drought-depressed levels.

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We have the necessary technical knowledge to help farmers to increase food production and to help people control the size of families. But two other things are vital. We, as a nation, must commit a larger proportion of our national income to technical assistance in the less developed nations. And more trained, competent young people must be willing to devote two or three years of their lives to service abroad. I urge every American to support this effort, because without it violence will surely threaten every nation -- the haves as well as the have-nots.

American food has saved millions of lives abroad. At home, it has been a key in bringing most of us an abundant life. A number of specific contributions of farming to the economic development of the Nation have been identified.

For instance, people from our farms, not needed there, furnished many of the workers needed while the country was becoming industrialized, even though such migration today tends to become a problem.

Expenditures for food per capita have declined from about 28 percent of our income in 1909 to less than 18 percent today. This means a larger percentage of our income is available for education, automobiles, travel, or whatever else Americans wish to buy.

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Farm production efficiency has released more consumer dollars for the purchase of industrial products. At the same time, this efficiency has led farmers to greatly increase their outlay for such items as petroleum, machinery, fertilizer, and other industrial products. In the years since this university was founded, the amount spent by farmers for goods needed in production has about tripled.

During this time of international economic stress agricultural exports are of increasing importance in our efforts to maintain our balance of payments. Agricultural exports now account for over one-fifth of the value of total exports. One encouraging fact is that several nations, which we aided with food a few years ago, are now important cash customers for American agricultural products.

Agriculture, then, has made massive contributions to the development of the American economy. Since 1933, the Federal government has supported the prices of some agricultural commodities, has distributed food to the needy, and has contributed food and funds for school lunch, and school milk programs. During the 1950's, large surpluses of these commodities were accumulated. These gave rise to Public Law 480, under which surpluses were shipped abroad to avert famine and to aid overseas economic development.

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Since 1961, we have expanded school lunch, school milk, and food relief programs. With our capacities to produce, there is no reason why any American should lack food. Admittedly there are still problems. However, we hope to solve them. For example, we believe that our food stamp program, which gives relief recipients a choice of food in grocery stores, also adds human dignity to the transactions.

Even with price support programs, farmers have not been rewarded for their work on an equal basis with other parts of the economy. Since 1960, the average annual income of persons on farms has increased from \$1,108 to \$1,559, but that is less than two-thirds of what people in non-farm pursuits earn. Farm incomes lag well behind those of the general population. Again, we will continue to explore every avenue through which farmers may share equally in the national abundance.

And it is an abundance based on the greatest production miracle in history, that of American agriculture -- a miracle by which only 6 percent of the people feed the entire nation better and cheaper than ever before and send food to scores of millions of hungry people around the world while restraining their productive genius lest agriculture smother in its own abundance.

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How has agriculture achieved this fantastic productivity? Does this experience contain anything which might be of use in solving some of the problems of the cities and in restoring a more satisfactory rural-urban balance? Neither question can be answered fully in the time I have available, but both will be explored in depth in subsequent sessions. However, I would like to mention what seem to me to be key points.

Agricultural productivity has resulted from effective partnerships among Federal and State governments, the land grant colleges and universities, local government, private enterprise and business leadership, and farmers themselves.

Ownership of the land by those who farm it (family farming) has been fundamental to good land management. Congress, by the Homestead Act of 1862 made this national policy. The Department of Agriculture today has effective programs to help farmers buy the land they work. We have virtually eliminated farm tenancy.

In the same year that the Homestead Act was passed, Congress established the Department of Agriculture and granted public land to the States for the establishment of colleges of agriculture and mechanical engineering. This laid the foundation for an effective system of research and education.

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The land grant colleges offered virtually tuition-free education to the sons and daughters of farmers and mechanics, and, of course, to anyone else interested. Those who didn't have the money for books, board, and room could usually find a job on the college farm that would pay for those essentials. At the same time, the jobs provided training in the latest farming practices. The education offered was practical in nature.

The colleges and the universities met a previously unsatisfied need, and they moved to meet new needs as they appeared and as techniques improved, extending educational opportunity far beyond the campus to adults in small towns and on farms with such things as night courses taught by commuting professors and special on-campus courses for farmers during the winter.

The research base for the courses in agriculture was steadily broadened. The Hatch Experiment Station Act, in 1887, established agricultural experiment stations as departments of the land grant colleges, and provided for the Department of Agriculture's participation in their programs. This participation became the cement for a genuine and lasting partnership between the colleges and the Department.

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Then, in 1914, the Cooperative Extension Service was founded as a unique Federal-State partnership to take the results of research in both the colleges and the Department directly to the farmers. Since then, this partnership has insured that agricultural research and resulting know-how move directly from the laboratories and lecture halls to the farms.

The partnership today also makes research results available to the rural press, farm organizations, agricultural cooperatives, and agribusiness.

Agribusiness has been another key to increases in agricultural productivity. Research may indicate, for example, that productivity will increase with the proper use of commercial fertilizer, but business has to make the investment in fertilizer plants and set up distribution systems if the research is to be applied. The private salesman has been a great teacher as well as a great promoter.

Today our land grant colleges and universities constitute the most ambitious and fruitful system of higher education in the history of the world. Our Extension Service is being copied by nations all over the world. The entire system of research, education, and action by the Department, the land grant universities, and local governments, is a model of creative Federalism.

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This model system, with its cooperation between all levels of government and with the private sector of our economy, offers a challenge to the cities. Does it offer an example or an idea for dealing with urban problems? I submit that it does.

The key to agriculture's contribution to the Nation has been research. As a Nation, we are just moving into research on urban problems, and only a few centers are working on all aspects of the problem. For example, housing is being studied from several viewpoints, most of them specialized. Yet agriculture, a century ago, found housing to be basic to everything else.

The first reports of the Department of Agriculture contained suggestions by one of the leading architects of the post-Civil War period for improving farm buildings and the layout of the farmstead.

Since that time, architects and engineers in the land grant universities and the Department have worked to improve farm buildings -- dwellings, barns, milking parlors, granaries, and many others -- from the viewpoint of convenience, sanitation, costs, and aesthetics. The Agriculture Department's report for 1963, its Yearbook, was called "A Place to Live."

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Farmsteads have been distinctive. Farmers, then, have had a sense of identity in their homes, a sense of belonging. The nostalgic pictures of farm homes we see at Thanksgiving and Christmas appeal to the age-old need for each individual to have his own place in a bewildering world.

We need the type of coordinated research on urban housing that we have had for farms. Research could certainly lead to efficiencies in construction and maintenance, an area where little progress has been made, yet where it must be made if the urban centers are to survive.

Wolf von Eckhardt recently wrote: "Just think how silly it is that we still haven't found a simple way to hang a picture on the wall of a modern house without breaking either the plaster or the nail." We have far more people with good automobiles and television sets than with good homes, community centers, schools, and recreation areas.

Is it not time that we provided effective, comprehensive research upon this and other pressing urban problems such as transportation, clean air, unemployment, crime, and schools?

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I suggest that the land grant college -- research station arrangement be studied. This example of creative Federalism could provide the pattern for a series of urban universities and research stations -- drawing already-established institutions into the system -- which would bring adequate resources to bear in a coordinated attack upon urban problems.

To the objection that we do not have time for research, I would reply that as we continue our palliatives, we must search for basic causes and remedies, and the search should start now.

Research on urban problems could then provide the basis for a great educational effort to train urban people to meet urban problems. The urban universities, like the early land grant colleges, should open their doors to those they are established to serve, doing away with many of the stilted educational requirements for college admission, just as the land grant colleges long ago dropped the traditional requirement of a working knowledge of Latin and Greek. The costs should be borne by all of the people through taxes because these universities would be training young men and women to deal with problems concerning everyone.

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I think the objective, and the purpose, of such a program were clearly stated last April by that distinguished gentleman, Edward T. T. Williams, the Chairman of the Board of Trustees of this University until his death a short time ago.

As many of you recall, he characteristically took the occasion of his being honored on his 25th Anniversary as Chairman of the Board not to dwell upon the past, but to look ahead, to set forth some thoughts on the directions the University should take in fulfilling its teaching obligations for the next 25 years.

He outlined a program of student involvement in education and the community.

Then he said this:

"Democracy established on the basis of freedom requires independent citizens, capable of solving the ordinary problems of life in their own interest. This country was built on that premise, and has to be maintained on that premise or it will cease to be a free society. To enable our civilization to persist, we have to generate thousands upon thousands of talented leaders in all walks of life to help solve our pressing problems
....

(more)

"Unless we tackle this problem head-on and give to many of this eager, excited and politically active young generation the chance to sink their intellectual teeth into the disciplines and cross-disciplines that can help to resolve some of the acute problems in city planning, civil rights, in law enforcement, in public health, and in all of the facets that make for restoring individual dignity and harmony at home, we shall fail in our most important primary responsibility as a university. We shall not contribute our share of leaders."

I can think of no better statement than that of the role of the college and university -- rural as well as urban -- in helping to fit this Nation to meet its complex problems.

But research and education are not enough. The city system should include an urban extension service, made up of trained men and women, who, like the county agent, carry the results of applied research to its actual users -- the people who need help. The extension agents would serve in another major fashion. They would report the needs of the people back to local governments and to universities for research and action.

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To many of us, the great cities are challenging, intriguing, and just a bit frightening. The urban extension agents could help both old and new residents find what they needed and wanted in the cities. The urban extension worker would know where people in his area might find work, where to apply for assistance if work was not available, what recreational facilities were available, where to find medical and dental care at costs commensurate with income -- that is, he would be familiar with the resources of the city and, more important, help the people in his area make use of them.

And he would be informed of changes in resources and facilities that resulted from the research programs of his sponsoring university.

Home demonstration agents, who have done so much to improve family living in rural America, are needed in the cities. With their help, homes, even sub-standard housing, could be made and kept attractive. Teaching the simple, basic rules of good nutrition -- with emphasis upon wise buying -- would improve health. Help with family financial planning would result in raising levels of living.

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The urban homemaker needs help with problems of child rearing, including help with unusual children. The home demonstration agent, like the county agent, would know how to use the resources of the city to meet the problems of the people she was serving.

In our rural areas, the home demonstration agent is a friend and advisor whose services are available to all. In urban areas, the social worker appears only after the family is in serious trouble. Frequently, she is an arm of the law, checking for violations of welfare regulations, criticizing, threatening.

Our experience with extension work, both in the United States and overseas, is that the functions of help and enforcement can not be carried out by the same individual.

I believe that a coordinated, sustained program of research, education, and extension, in the problems of urban areas would reward the Nation.

This work could be a major step toward solving that most difficult problem of all -- the crisis of identity. Many of the rebels and rioters are seeking recognition as well as opportunity. Many of the alienated are withdrawing from American society as we know it because they feel that society emphasizes things instead of people.

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Somehow or other, throughout our society, we must restore that feeling of identity, of belonging, of being a person who is recognized as an individual personality. The system I have outlined, based upon the system which has made American agriculture great, offers that opportunity. The results of research and education, under a cooperative Federal-State-urban plan, would be carried to the individual in the city.

But even as we develop plans to meet the crisis of the cities, we must intensify efforts in the rural areas, for it is in the rural areas that some of the cities' most pressing problems originate.

We have concentrated so hard on building the production miracle of American agriculture that we have neglected, until the relatively recent past, non-farm rural America, which has burgeoned in direct proportion to the productive miracle in the fields.

The result of our technological success has been surplus farm population -- a population that has streamed, year after year, into the cities, contributing, to be sure, to urban growth and development, but also, unfortunately, to welfare drains, to overcrowding and to a climate where crime and violence are nurtured.

(more)

We can no longer escape it: What happens to one group, one region in this Nation happens -- in one form or another -- to all. We can't afford anymore to treat the problems of the city and the problems of the country as separate sores. They are symptoms of the same ailment: lack of a broad, national policy for people and land.

We have, for example, been acting in Agriculture to correct a serious flaw in our plan -- the omission of non-farm rural America. And today, I am happy to report, we have developed a good many useful tools that are helping local leaders revive local communities in Countryside USA.

We have begun to develop the total rural community. Federal programs have been initiated under such legislation as the Rural Water Systems and Sanitation Act, the Housing and Urban Development Act, the Appalachian Regional Development Act, the Manpower Training and Development Act, the Public Works and Economic Development Act, the Elementary and Secondary Education Act, and the Food and Agriculture Act of 1965. Many State and local government programs are also contributing.

(more)

The Department of Agriculture is making a direct attack on the problem. Operating loans and grants to farmers from the Farmers Home Administration have increased 60 percent since 1960. Loans to promote farm ownership by small farmers have increased five-fold. Economic opportunity loans are helping farm and non-farm people set up small businesses. Credit for rural housing will be nearly 13 times as great this year as it was in 1960.

Under Executive Order 11307, the President has directed the Federal Departments to work more closely to help people in rural areas in their total community development. This, what we call "Outreach," is coordinated through USDA's Rural Community Development Service in Washington and is carried out in every one of America's 3,000 rural counties by Technical Action Panels.

A start has been made, but most of the job remains to be done.

Rural America is paradoxical. There are prosperous farmers and poor farmers; there are progressive rural communities, and there are rural slums. There are growing rural centers, and sections of whole States and regions in decline.

With a little more than a fourth of the Nation's total population, rural America has nearly half the poor people of the Nation.

(more)

Combined with the traditional lure of the cities, and the traditional tendency for industry to locate where other industry already is located in urban areas, the present deficiencies and inadequacies and frustrations of rural America continue to encourage a farm-to-city migration that has been under way for as long as this Nation has been independent.

This migration continues to aggravate what I consider America's most crucial long-term basic domestic problem -- the problem of rural-urban imbalance.

Right now, 70 percent of the American people are living on just over 1 percent of the land. By the year 2000, we will have added another 100 million Americans to our Nation. If the current trend continues, some 240 million of us will be crushed into urban areas occupying only 4 percent of the total land area of this spacious Nation.

We have a countryside replete with natural beauty, open space, fresh air, and pure water that needs only jobs to attract and hold people. Many of our cities are smothered with smog, filled with ugly tensions, and overwhelmed by the problems of too little space for too many people, yet the rural-urban migration continues, affecting us all.

(more)

So, as we attack the problems of the city and the problems of the country we have got to comprehend them within a national framework. We must discern the big picture as it is, decide what we want it to be, and then act to change it.

There is absolutely no reason why planning should stop at the city limits, or at the county line as we move to solve the people-space equation. The times call for a bold, sweeping, national truly free choice of residence policy that recognizes every rural acre and every city block.

And there is no reason why we can't do this if we stretch our minds, if we lift them from the constraints of the past and focus on what the technology, the ingenuity and the wealth that we have can do to alter the total national scene -- not just this county, 100 blocks in that central city or 7,000 acres in Fairfax County, Virginia.

We need to think in terms of a score or more of new towns and cities placed with purpose on portions of that 98-plus percent of the land that now holds less than 30 percent of the people, and of planned growth for scores of small and moderate sized communities already in place all over America. We need to think in terms of rapid transit, connecting new towns and growth centers with old cities, with people commuting 100 miles or more to work and shop and play, riding on trains that travel up to 150 or more miles per hour. (more)

We need to think of the highest standard of housing, education, health, culture, families -- and all in the context of the whole Nation for the whole Nation.

In my opinion, we could take the model of integrated national planning that we now have in agriculture as the basis for fashioning a national plan to restore rural-urban balance and improve the quality of life for all Americans.

In agriculture, we consider all of the acres of all the farms, and all of the farmers in making plans and decisions.

Our farm programs -- commodity, foreign aid, domestic food, conservation -- are designed to interlock, providing a synergism relevant to farmers, consumers, the poor, the Nation as a whole.

Why not a national Quality of Living Policy in which we consider all of the land and all of the people?

We must start. We'll make mistakes, but any strategy is better than no strategy, which is what we have now, and we can improvise, discard, improve as we learn.

The problem, then, is to meet the challenge of the times, the challenge of reclaiming rural areas and of revitalizing the cities. In the process, each individual must have the opportunity to fully participate to reach his full potential, wherever he chooses to live. When we do this, there will be rural-urban balance.

(more)

But the problems of the cities and the problems of rural America will never be solved until both are attacked with equal vigor -- and within the framework of a national plan, a national commitment. As we seek to do this, there is much, I believe, that can be adapted from the system we have developed the last 100 years in agriculture, a system that has made it the production miracle of history.

The very fact that we are here today, and that this great University celebrates its Silver Anniversary in this constructive and thoughtful fashion, means that we have begun.

But we have a long, long way to go. What we have done and what is left to do will be explored in depth tomorrow, so let me close by urging once again that we travel with a view of the whole horizon, not just the road ahead.

Let us understand the sweep and the dimensions of what we must do and then move boldly toward the day when any American will have the chance to live equally well in the city or the country and to take advantage of the best of both. When that is true, ours will indeed be a Great Society.

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Statement of the Honorable Orville L. Freeman
Secretary of Agriculture
before the
Senate Committee on Agriculture and Forestry
March 15, 1968

Mr. Chairman, Members of the Committee:

The progress of American agriculture has been marked by a series of milestone advancements. At one time we concentrated mainly on production problems. Wonderful mechanical inventions were made available to our farmers, and these were matched by improved crops and animals and ways to raise them. In more recent time we have made equal progress in solving problems of what happens to products after they leave the farm -- and it is in this important area of marketing and distribution that Public Law 480 shines forth as one of the truly creative innovations of our time.

I am pleased to meet with you today to talk about Public Law 480 and to support its extension for three years in its present form.

Public Law 480 has served us well for many years. It has helped to move accumulated farm surpluses into constructive use. It has helped to feed hungry people.

But these contributions were not enough. Increasingly, we have been aware of the need for countries we were helping to do more for themselves to improve their farms and villages and well-being. In helping them to do this we make an important contribution to world peace, for a hungry people will always be a restless people, and no country in the course of history has reached a high standard of living and of economic expansion without a firm agricultural base.

At the same time we have been aware of the need for doing even more to expand foreign cash markets for our farm products, thereby bringing back dollars to help our farm income and our balance of payments.

The Congress, two years ago, took wise and effective action in revising Public Law 480 so that these potentials could be realized.

The new emphasis on self help was a timely and much-needed change. It might be said that food under Public Law 480 has not been given free since 1966. Instead, we have been exchanging commodities for commitments -- commitments to build farm to market roads, to adopt incentive price policies, to build fertilizer plants. The new section providing that local currencies in excess currency countries might be used for agricultural development projects was a helpful addition for which I pay my compliments to this Committee. Under this provision we have already programmed over \$84 million for economic development and family welfare in the three countries to which this provision has been applicable.

The strong emphasis on transition to harder terms was a change that we strongly endorse and are using as a principal guideline as new agreements are formulated. A feature that originated with this Committee -- the provision for sales on a convertible local currency basis -- is a definite help to us in setting up agreements which comply with our objective of moving from soft terms to harder terms as rapidly as possible. The rate at which we have been shifting to harder terms is shown by the record. In both fiscal '66 and fiscal '67 seventeen percent of our sales under P.L. 480 were on dollar repayable terms. In fiscal '68, 48 percent are on dollar repayable terms; and, as budgeted for fiscal '69, 61 percent will be on such terms.

I think we have in Public Law 480, as improved in 1966 and as it is constructed and administered at this time, a highly practical program that is both good for us and good for the countries associated with us. It is an excellent program for our times. Under it we are programming shipments at as high a level as is consistent with legal requirements and the necessity not to disrupt established commercial markets or to create a disincentive to recipient countries to improve their own food production. The various agencies responsible are working together closely and, in my judgment, effectively to carry out this complex program as a well integrated, dynamic effort. I think we have succeeded.

In recommending the extension of this program we recognize that all Government programs must meet the test of whether they yield the results that Congress intended. P.L. 480 meets the test admirably.

The objectives of Public Law 480 are clearly set forth in the preamble to the Act, as follows:

"The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States."

Let's take that preamble and use its elements as a check list. Let's see how well Public Law 480 is serving us.

Expanding International Trade

First, what has been happening to international trade in agricultural products?

During these 1960's, international trade in agricultural products has expanded steadily. Total world trade in agricultural products in fiscal 1960 was \$28.3 billion. In 1967 it was \$33.9 billion.

I do not know of any period in world history when the growth in international agricultural trade has been as great as that of these 1960's. A great share of this expansion has benefitted the United States.

Expanding U.S. Agricultural Exports

The second part of our test of Public Law 480 has to do with developing and expanding export markets for United States agricultural commodities.

Here, again, there has been no period of American history in which we have done as well in our agricultural export marketing. Public Law 480 is among the important reasons.

Since Fiscal Year 1960 we have pushed total agricultural exports upward from \$4.5 billion to almost \$7 billion.

During that period, commercial exports -- the part we sell for dollars -- climbed from \$3.2 billion to \$5.2 billion, a gain of 62 percent. Shipments in this current fiscal year, both total and for dollars, are holding at high levels.

A very important reason for this spectacular gain is the market development program which is financed out of Public Law 480 foreign currencies.

I would like to comment on the significance of this export success story to our farm and city people, and to the Nation.

For American farmers, exports make up a big and expanding outlet for their production. Our farmers now export two-thirds of their annual milled rice production; over half of their wheat production; a third or more of their grain sorghums, soybeans, cotton, and tobacco; more than a fourth of their flaxseed, and nearly a fourth of their corn. And so on for a large number of other important commodities.

Last year, American farmers harvested 70 million acres for export -- one acre out of every four.

In the absence of export outlets of this magnitude, the problems of acreage adjustment and the support of farm income in our domestic program would be infinitely more difficult.

The benefits of exports are shared by nonfarm people, as well. Hundreds of thousands of workers and businessmen across the country owe part or all of their incomes to the activities created by agricultural exporting -- handling, transporting, warehousing, processing, packaging, freight forwarding, insuring, financing, and related activities. Exporting has, in itself, become a vast industry.

Then there is the matter of balance of payments benefits.

It is not generally known but it is a fact of which we should be very proud that American agriculture, through its export earnings, is today doing more than any other segment of the Nation to hold back the critical outflow of dollars.

This contribution by American agriculture is relatively new. In the early 1960's there was an unfavorable balance in our commercial agricultural trade. Our country's expenditures for agricultural imports were larger than the earnings from agricultural export sales for dollars. At that time nonagricultural exports -- machine tools, airplanes, chemicals, and hundreds of other industrial items -- were carrying the load in our balance of trade.

In the past two years, however, this situation has been sharply reversed.

In 1966 our country's nonagricultural sector had a trade deficit of \$470 million; our agricultural sector had a net commercial trade plus of \$982 million.

In 1967, our nonagricultural trade had a deficit of \$300 million; our agricultural trade had a plus of \$585 million.

Nor is this the total picture. There also are certain financial benefits coming directly from the Public Law 480 program in the form of avoided dollar expenditures, and these have the same helpful effect on the balance of payments as dollar earnings. I am thinking specifically of the way our Government is able to use foreign currencies generated under Public Law 480 to pay various U.S. expenses abroad, including embassy costs, market development financing, and many others. In 1966 these dollar returns came to \$169 million. In 1967 the returns were \$331 million.

So I would emphasize again that our agricultural exports have become a tremendous national asset. It is our agriculture right now that is keeping our Nation's overall commercial trade balance on the favorable side. Public Law 480 is helping agriculture to make this contribution. And as PL 480 contributes to economic growth in recipient countries it builds future commercial markets for American products.

Encouraging Economic Development

The third part of our test of Public Law 480 has to do with such economic development. Is the program mainly a crutch for the less developed countries -- or is it providing strength to help them stand on their own feet?

This is a critically important question -- and it is one that I would answer by saying Public Law 480 is helping a large number of recipient countries to improve their self-reliance, especially as we operate under the new self-help requirements of the program.

A good test of economic development is a country's improving ability to buy the things it wants in the commercial marketplace. Already a number of countries that once received food aid have become important commercial customers.

The classic examples are, of course, Japan, Italy, and Spain. Under Public Law 480 and earlier aid programs, they received considerable assistance. Today they are among our best cash customers.

Japan in 1956 imported \$370 million worth of American farm products, a third of it under Public Law 480. Today, Japan is buying a billion dollars worth of our farm products annually, all of it for dollars, none of it under Public Law 480.

Italy in 1956 imported \$114 million worth of our farm products, nearly a third under Public Law 480. Now Italy's purchases are approaching \$300 million a year, for dollars, none under Public Law 480.

Spain in 1956 imported \$125 million worth of our farm products, practically all under Public Law 480. Ten years later these imports had grown to \$200 million, practically all for dollars, none under Public Law 480.

Public Law 480 came to these countries at a critical time in their economic development. They were ready to carry out their own self-help programs but they needed some help in getting started. Once started, they have moved forward on their own momentum.

I would like to cite three more countries. These also are dramatic in their transition from aid to trade for the reason that they started with less and have had further to go. They are Israel, Taiwan, and South Korea. I will illustrate with their purchases of wheat.

In Fiscal Year 1962, Israel got 166,000 tons of U.S. wheat under Public Law 480 and bought 105,000 tons commercially. Last year Israel's wheat purchases under Public Law 480 were cut in half and her commercial buying was expanded by almost half.

Taiwan's wheat imports under Public Law 480 were 325,000 tons in 1962 and dropped to zero last year. At the same time, her commercial buying of our wheat rose from 9,000 tons to 280,000 tons.

During this same period, South Korea's Public Law 480 wheat imports dropped from 337,000 tons to 331,000 tons, while her commercial imports of wheat went up more than 13 times, from 26,000 tons to 341,000 tons.

This matter of economic development is extremely important to our own export promotion efforts. It is only through economic development that a poor nation can become even modestly affluent. It is only through economic development that a developing nation can improve the buying power of its citizens and thereby make the transition from aid to trade.

Our Economic Research Service has tested this relationship between economic development and consumer buying power, with some interesting results. Based on 1964 data, we found that countries with per capita incomes of more than \$600 a year -- such as Japan and in Western Europe -- bought commercially \$7.88 worth of U.S. farm products per person per year. Countries with a per capita income of \$200 to \$600 -- such as Venezuela and Brazil -- bought \$4.18 worth per person. And countries having per capita incomes of less than \$200 -- such as India, Pakistan, and some others in Asia, Latin America, and Africa -- bought only 30 cents worth of our farm products per person.

There are 22 countries that now buy only 30 cents worth of our farm products per capita per year. They have a combined population of 835 million, four times the size of our own population. If each of these people last year had been able to spend just \$1 in buying our farm products -- and believe me, these people would like to buy more from us if they could -- we would have exported \$800 million additional farm products and our export total for the year would have come to more than \$7-1/2 billion. If they had spent \$2 apiece more for the food and fiber products they would like to buy from us, our exports for the year would have approached \$8-1/2 billion.

I have referred to the underdeveloped countries in the aggregate as a "sleeping giant" which, once aroused, will be the largest market in the history of the world. But this sleeping giant will awaken only when stimulated by the increased buying power that comes with economic development.

This is why our self-help requirements are of such importance.

An indispensable key to general economic development anywhere is agricultural development. I do not know of any really progressive country anywhere in the world that has a backward agriculture. The two go hand in hand -- as a matter of fact, agricultural development must precede and serve as a base for industrial development.

We have strong evidence that this agricultural development is taking place, and some of this evidence appeared recently in our annual World Agricultural Situation report, which says:

"The past year was one of record output for world agriculture and, most significantly, a record for the less developed world. Per capita agricultural output in the less developed countries (excluding communist Asia) increased by about 5 to 6 percent in 1967, a recovery to the level of 1964 or slightly above. In particular, most of the developing countries with large populations -- India, Pakistan, and Brazil -- made substantial gains in the production of grain and other foods."

I am not trying to say that Public Law 480 with its many features, including strengthened emphasis on self-help, was entirely responsible for this bumper world crop. In many areas, bad weather gave way to good weather and growing conditions were excellent. But I will say that a good crop in many countries was made even better because of improvements stimulated by the self-help emphasis that Congress wrote in to PL 480 in 1966.

India's record harvest, for example, is due not only to good weather but to the much greater emphasis India is now giving to agriculture. India has provided incentive prices for its farmers and has doubled its use of improved, high-yielding seed and almost doubled its availability of fertilizer. In these, and many other hopeful developments in Indian agriculture, there is no question but what American assistance programs -- including food, technical, and economic aid -- have played an important role of stimulation and support.

Promoting U.S. Foreign Policy

The fourth, and last, part of the Public Law 480 preamble on which I would like to comment is the program's importance in promoting U.S. foreign policy.

President Johnson, in his foreign aid message of February 8, spoke of "the great truth upon which all our foreign aid programs are founded.

"Twenty years ago," said the President, "America resolved to lead the world against the destructive power of man's oldest enemies. We declared war on the hunger, the ignorance, the disease, and the hopelessness which breed violence in human affairs.

"We knew then that the job would take many years. We knew then that many trials and disappointments would test our will.

"But we also knew that, in the long run, a single ray of hope -- a school, a hybrid seed, a vaccination -- can do more to build the peace and guard American from harm than guns and bombs."

It is hard to measure on an input-output scale what Public Law 480, with its food aid and development assistance, has done to promote our Nation's foreign policy. But I would like to turn this around and ask what would have been the negative effect if we had denied to struggling nations these things we have made available?

What if we had remained aloof during their years of need?

What if we had held back the thousands of shiploads of food that have kept millions of hungry people alive?

What if we had not, through Public Law 480, generated the many millions of dollars worth of local currencies which have built dams and schools in countries sorely needing them?

And what if these funds had never been available to strike the spark of life and provide much of the financing in our own export development programs?

What if, in our companion assistance programs, we had told people around the world that we would not share the secrets of our own agricultural success? That we would not consult with them on how to set up a research station? Or agricultural college? Or fertilizer factory? Or irrigate their lands?

But instead we have provided them these things. We have shared to a degree that is unprecedented in human history. We have been providing them, within our abilities, those rays of hope which more than anything else help to build the peace and help to guard America.

And, within our abilities, we must continue to do so.

Mr. Chairman and Members of this Committee, I think Public Law 480 is doing a magnificent job for our Nation and for our friends abroad.

I fully support the extension of the present law for three years and I earnestly hope that it will be approved in the near future by this Committee and by the Congress.

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I come here today grateful for the opportunity to talk to you seriously and at length about American agriculture, our family farm system and the Federal farm commodity programs.

Farm programs are at a critical juncture. Hearings have begun in Congress. Basic programs are up for extension or they soon will lapse.

They are being aired in the atmosphere of heavy budget pressure, of the gold crisis, of the tremendous needs in our cities -- needs underlined by the report of the Riot Commission.

Farm programs are high on many a list of budget cuts. A prominent senator from the most urban area in the Nation introduced a bill last week to destroy the grain programs. If he succeeds other commodity programs will soon fall. There are 21 bills in the Congress to do the same, most sponsored by traditional opponents.

A magazine of 26 million circulation publishes an article of half-truths and distortion -- a literary lynching party that American agriculture can do without, despite what Abraham Lincoln once wryly described as the honor of such an affair.

Address by Secretary of Agriculture Orville L. Freeman before the Executives Club of Chicago at 1 p.m. March 20 in Sherman House, Chicago, Illinois.

It is clear that a time of decision is near for farm programs. I welcome that as we move into this Presidential year.

If I have any complaint as Secretary of Agriculture, it has been the difficulty of communicating, of telling people what farm programs are all about. Most of them either take agriculture for granted, or they have a closed mind, regarding the programs as patch work -- patch on patch -- an exercise in futility. And I must say that seems especially true, by and large, of businessmen.

So I welcome this opportunity in this fine forum, with an outstanding reputation for fair and open-mindedness, to examine with you the question: American Agriculture -- What Next?

The best way to do that is to speak directly to the questions that I get most. Then I will try to answer any other questions you might have.

The most frequent question I hear goes like this: "Why have farm programs that pay farmers not to produce?"

A quick, pointed answer in a dozen words is this: Because for the foreseeable future productive capacity will substantially exceed effective demand. Permit me to amplify this.

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First let me make it crystal clear that these are not welfare programs for charity cases. This is a commercial program. Its purpose is to make it possible for some two million farmers, most of them family farmers, to apply to their operation the same businesslike practices of balancing supplies with available markets that have proven so successful in industry.

Its objective is to enable these farmers, who have the greatest production capacity in the world, to work together voluntarily to manage their inventories and adjust their output to effective demand lest they smother in their own abundance.

We do this by, in effect, asking them in the national interest to rent out of production the portion of their land needed to adjust national supply to expected demand. They are offered a fair rental price, based on production potential, discounted for operating costs.

As individuals -- as 2 million separate food and fiber factories -- they have no way of affecting national production, no way of anticipating national production, except in the case of a few specialty crops in which commoditywide organization is possible.

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Now there isn't a man in this room who would run his business without trying to tailor his output to fit his market. But over two million farmers, producing independently and without knowledge of what total output is likely to be, find this impossible.

Unless he has some mechanism by which he can adjust his production in unison with others, each farmer is flying blind and all too often the result is collision in the marketplace and disaster.

Why shouldn't farmers have a chance to be just as good businessmen as those in other lines of business?

This is what the wheat, cotton, feed grain and other programs are for: To provide a basis by which farmers can work together voluntarily to use their skills to the fullest and yet hold production in line with demand, while continuing to supply this Nation with the abundance to which it has become accustomed and which it needs to remain strong.

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I stress again that these are not programs to combat rural poverty on marginal farms. We have special approaches for that. The farm programs do affect the price of every bushel of grain sold by a marginal farmer exactly as they affect the grain sold by the commercial farmer, but their purpose is not to redistribute income. It is to adjust production to demand, giving farmers some voice in the market, and to give them -- through price supports -- some surety of income.

For agriculture today, more than ever, requires stable prices; the farmer more than ever must be able to make his plans with some reasonable income assurance because he must spend more than ever -- for machines, fuel, fertilizer -- in order to farm efficiently, which he must do to stay in business.

Let me move now to question number 2: "How do the programs work?"

The planning is very similar to all industrial production planning -- it is significant, I think, that the percentage of production we are holding in reserve in agriculture under the programs is almost the same as in industry as a whole, about 10 to 12 percent.

The Department of Agriculture gathers the most complete information available on potential domestic and export demand for the forthcoming marketing year.

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It takes into account stocks on hand -- what you call in business your inventory position. With these factors, we calculate the acreage needed to provide the required output.

Then, in the national interest, we rent out of production enough land to keep demand and supply in working equilibrium.

Now I will be the first to acknowledge that you can't fine tune all these projections and estimates. You just can't accurately forecast what the weather, for example, will be in the coming growing season here in the United States, let alone around the world. And we have to make projections about the crops of some of our export competitors as well as in the importing countries as much as 18 months ahead.

I sometimes feel, in this situation, like the astronaut-physicist who was seen boarding the capsule for his first space shot with a rabbit's foot in his hand.

"You don't believe in that sort of stuff, do you?" said a friend.

"No, I don't," was the reply. "But the guy who gave it to me said it works whether you believe in it or not."

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But the hazards of projecting are no reason for throwing up your hands and doing nothing. When a large corporation projects demand too high, it simply adds to its inventory, and then cuts back output to get inventory in line again.

That's what happened in Agriculture last year. We got a little too much production, largely as a result of unexpectedly good weather around the world, and, as you know, the market reacted sharply.

When this occurred, those farmers who were participating in the farm program could get a government loan to hold their excess grain in inventory over to this year.

On the production end, we in the Department of Agriculture acted to cut back wheat and feed grain acreage this year by encouraging farmers to take more acreage out of the production on these crops.

There is nothing compulsory about these programs. If a farmer doesn't want to participate, he can farm completely as he wishes.

But farmers are using them. Last year's signup was 1.3 million farms, representing 60 percent of the feed grain crop, and 800,000 farms, representing 85 percent of the wheat.

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The programs I have described so far -- the commodity programs -- are the basic effort, but even when they are administered skillfully, supply and demand may still get out of balance -- witness what happened last year. So we combine other approaches, other tools to make it possible to adjust to unexpected forces. These tools serve a number of purposes besides price stabilization.

For example, our domestic food distribution programs not only improve the diets of millions of needy families and school children, but they also permit us to help shore up meat and produce prices, which we do by buying this food when the market is weak as a result of overproduction.

And the Food for Freedom program not only makes a major contribution to security and peace by providing food to millions around the world -- buying them time until they can improve their own agriculture -- but it also gives us a means to help work off our surplus production when our forecasts go awry.

The Cropland Adjustment and Agricultural Conservation programs permit us to put land not needed for production into long-term conserving uses, adding sorely needed green space and outdoor places to play for the increasing millions who seek temporary respite from the concrete and asphalt of the cities.

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These programs -- commodity, foreign aid, domestic food, conservation -- complement each other. None of them can be fully effective in isolation, but they are extremely effective when used together.

Both Food for Freedom and our domestic food distribution programs supplement the commercial demand for food registered through established market channels.

Skillfully used, this supplemental buying power helps stabilize prices.

The Food and Agriculture Act makes possible a working balance between supply and all demand for several major products. It is designed to keep farm prices at as high a level as is consistent with remaining competitive in world markets, and -- by means of direct payments -- to strengthen farm income.

Together, these programs permit us to set up a workable national food budget to produce what we need in the right amounts at the right time for the right purposes -- subject, of course, to the vagaries of natural forces with which agriculture always must live.

Well, you might say, the theory is fine, but do these programs actually work? That is my third question.

Let's look at the record of American agriculture:

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* America's families are getting more of the most nourishing food in the world and for less in terms of paycheck proportions (under 18 percent) than ever before -- almost 25 percent less than back in the good old days of the '20s.

* We are competitive in world trade because of the commodity programs -- right now we export the harvest of more than 71 million acres of American farm land, a tremendous boon to our trade position and a vital factor the past two years in the balance of payments -- holding back the critical outflow of dollars. Exports for dollars have climbed 60 percent, over \$2 billion since 1960.

The balance of agricultural trade comprises more than 50 percent of this Nation's total favorable balance of trade.

* What we call Section 32 permits the Secretary of Agriculture to move food -- over a billion dollars worth this year -- to needy people all over the United States.

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* Food for Freedom, geared since 1966 specifically to self-help commitments by recipient nations, not only has provided an overseas outlet for farm production, and fed millions of hungry people; it is also dramatically turning the economies of some of these nations from aid to trade, among the most recent are Israel, Taiwan and South Korea.

* The inventories of commodities owned by the government have dropped from a surplus of more than \$6 billion in 1960 to a necessary reserve of less than \$1 billion in 1968.

* Last year's net farm income, even though it was down from 1966, was \$14.5 billion, 24 percent higher than in 1960, and net income per farm was 55 percent higher than in 1960. Despite this progress per capita farm income is still only 60 percent of non-farm income.

* Cash corn in Chicago last week was 12 cents higher than at the harvest low last fall. The futures market for corn today, compared with that of last fall, shows a farmer now can anticipate his 1968 corn crop next fall will sell well above last fall's No. 2 yellow corn. Why? Because more farmers have held their corn under government loan and because the trade expects a smaller output this year as a result of a good sign up in the feed grain program.

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Clearly on the record American agriculture is getting excellent results.

The fourth question: "How long will we need farm programs?

The President's Advisory Commission on Food and Fiber -- a distinguished group of businessmen, educators, agriculturists -- concluded that some sort of farm programs will be needed for as long as this country's agriculture has the capacity to produce more than effective demand can absorb.

And they took into consideration in that projection the population explosion, concluding that foreign demand will not take up the slack of our overproduction potential in the foreseeable future.

Unlimited demand in the Less Developed Countries is a mirage. Our latest long-range study of the world food situation through 1980 indicates a continuing world capacity to produce more grain than effective world demand can absorb at stable prices.

Stong competition in commercial markets will continue and so will the potential for overproduction, for a long time to come. That means we will need some kind of commodity programs for the foreseeable future.

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Another question I am frequently asked is: What would happen without farm programs?

A study by Iowa State University for the President's Food and Fiber Commission showed that, under these conditions and without farm programs, farm prices would drop sharply -- and stay down.

And if the farmer is put through a prolonged wringer, the whole economy will be adversely affected. The old familiar statement of yesteryear that depressions are farm fed and farm led still rings true.

No one will question the importance of a healthy agriculture to the business world. Agriculture spends more than \$34 billion a year with you and other businessmen for goods and services to produce its crops and livestock.

It buys as finished products every year 5 million tons of steel and enough rubber to put tires on nearly six million automobiles.

It uses more petroleum than any other single industry.

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No one can be certain what might happen, but if farm programs go down the drain our family farm system of agriculture will be seriously threatened.

You can be sure that continuing low farm prices will drive out thousands, perhaps hundreds of thousands of farmers, and it won't necessarily be the inefficient farmer who gives up. Rather, it will be those who have the least economic power to hang on. Financial strength and holding power will carry the day.

The result could well be the survival of a relative handful -- corporate farms with such monopoly power over the Nation's food supply their regulation by the government as a utility will be necessary.

So on the record it is clear that agriculture is a vital segment of our economy, but the final question is: Is it worth the effort? Are we spending too much? Are farm programs unreasonably costly?

First, what do they actually cost? There is much confusion on this and a tendency to charge to commodity programs all the programs of the USDA.

The Committee on Agriculture of the United States House of Representatives made an analysis of the estimated 1968 Federal farm budget.

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The committee found that three fifths -- \$3.8 billion -- of the \$6.7 billion budgeted for Agriculture was for services that are of primary -- and in most cases immediate -- benefit to the general public. The U.S. Forest Service that manages 186 million acres of forest and wilderness is one example.

The remaining \$2.9 billion of the estimated 1968 budget was for acreage adjustment, price support and related programs in which farmers are the primary beneficiaries.

This is a stabilization cost of under 6 percent for an industry of almost \$50 billion annual sales.

That is in my judgment a reasonable tax investment for an industry that is feeding more Americans at less relative cost to them than ever before; one that is feeding millions of the world's hungry, is a bulwark of our foreign trade and a mainstay of our domestic economy.

So far our family farm system has survived, unorganized, in an economic jungle. It has hung on by its fingernails through wild price swings not experienced by the rest of the economy.

It has earned the chance for stability that others enjoy.

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I think that with the New Era Programs of the early sixties, climaxed by the Food and Agriculture Act of 1965 we are on the road to providing that stability, to achieving the prosperous, stable agriculture that is basic to our domestic well-being and to our international position.

For the first time, after years of fencing with the issue, of patching up, of short term efforts, we have a farm program that faces the facts of life.

Certainly it is new, and we are working to improve it as we see the need, but I am convinced that we now have the basic machinery to produce the food needed for our foreign policy and humanitarian commitments, to assure abundance at home, to make the best use of the land of America, and to stabilize farm income at a level commensurate with that of business and industry all at a reasonable cost.

This program is under attack. The challenge is for the critics to offer something better.

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Statement By
Secretary of Agriculture Orville L. Freeman
At the President's Second Annual Farm Policy
And Rural Life Conference
Monday, March 25, 1968: 9:00 a.m., EST

Welcome on behalf of President Johnson to
this second annual Farm Policy and Rural Life Conference.

As I was about to say at the University of
Wisconsin last week, before I was interrupted:

"Give me the liberty to know, to utter,
and to argue freely, according to con-
science, above all liberties."

Good advice from John Milton, and we mean to
follow it today.

We in the Department are here not primarily
to speak, but rather to listen to your ideas, sugges-
tions, comments and criticism. We need your advice and
guidance and we appreciate your giving of your valuable
time to help us.

This second annual President's conference
was called because President Johnson -- and I --
found the first conference extremely helpful in making
the decisions which affected agriculture over the past
year.

So useful was the conference that, following its advice, we immediately stepped up our entire consultative process, holding more meetings -- both commodity and 'shirtsleeve' sessions of general interest -- than ever before in the Department's history.

I know this conference will be equally as useful in the year to come.

But in a broader sense, what brings us here is an effort to learn to live with and take advantage of a striking and almost-unique feature of U. S. agriculture, one that sets it apart from the vast majority of agricultural plants in the world, our amazing productivity.

Over the past 20 years -- most of you in the room have witnessed it firsthand -- our agricultural productivity is up a good 50 percent and the labor needed to produce it is down by half.

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This productivity is a great economic bulwark for America and the Free World. But it also keeps the farmer and rancher sitting on a powder keg. The U. S. farmer has the ability to overshoot his markets, year after year. This power is so great that the individual farmer, one in three million, cannot hold the genie in the bottle. No one farmer has a big enough thumb.

Fortunately, we are perfecting the basic machinery to meet both the challenge of supply and the challenge of increasing demand. This machinery is a wide range of programs woven tightly into a coordinated farm and food policy aimed at underpinning and strengthening America's family agriculture.

These programs -- commodity, export, foreign aid, domestic food aid, resource development -- interlock to form a total structure that is greater than the sum of its parts. They operate as a team. Each program has its own function, but they all mesh to enhance the final result.

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Agricultural exports provide a good example. Last year we exported the equivalent of the harvest of 71 million acres. A vitally important factor in holding these exports is our commodity programs that keep us competitive in commercial world trade, and, through certificates and direct payments, supplement domestic farm income.

Another part of the basic package is Food for Freedom, which moves about 4 percent of our production to developing countries, helping them over the worst of their existing food shortages and aiding them to build their economies so that they can eventually become dollar customers for our farm products.

Nothing in this world is static. So we have a dynamic program which enables us to shift production to meet changing circumstances each year and at the same time maintain farm income. Right now, for example, we are expanding cotton and rice production while holding down wheat and feed grain production, all under the same basic legislation. In conjunction with other programs we are able to maintain balanced abundance while adjusting our resources to growing needs for conservation, outdoor recreation, wildlife, and natural beauty.

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Another important tool is concessional food distribution. With Section 32, school lunch, school milk and family feeding programs we will make available over a billion dollars worth of food this year to children and needy people. Thus, we bolster weak prices for overabundant crops and improve the diets of needy people at the same time.

All these programs, working as a team, help to move our agriculture forward on the highway of progress. I am convinced that they provide a solid foundation on which we can build to reach our goals.

But they are neither perfect, nor perfectly operated. We must improve them. We must correlate them more closely with the activities of individual farmers, farm organizations and others, including you in this hall.

I have gone into some detail on these programs because I feel all too often, when we hear "farm programs" we limit our thinking solely to the commodity programs. Important and basic as they are, they form only a portion of the national farm and food machinery we have today.

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Perhaps, if the Food and Agriculture Act of 1965 is the motor, then the other parts of the power train I've mentioned this morning -- Food for Freedom, Section 32, Conservation and rural development -- are the transmission, wheels and chassis. Taken together, with a full load of fuel and skillfully driven, they can get us where we want to go.

This is what I hope you will discuss today -- how can we use this power package more skillfully to meet the parity of income goal every farmer in this Nation needs and so richly deserves? Following this conference last year a number of important changes and innovations were instituted. I hope we get some equally good advice today.

And while we're discussing the 1968 model, I also hope we'll give some thought to the 1969 model -- the improvements in the basic design that President Johnson has asked for in his Agricultural Message: extension of the basic act and Food for Freedom; bargaining power, strategic reserves, and a host of others.

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All of these things, everything from radiator cap to tail pipe, will be sketched in brief by the Under Secretary and Assistant Secretaries John Baker and Mrs. Dorothy Jacobson this morning. This afternoon we'll have an opportunity to examine them in depth in two special sessions, with a late afternoon general summary session at which I plan to be an interested presiding officer.

Thank you for your attention, and now let's turn it over to Under Secretary John Schnittker.

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Remarks by Secretary of Agriculture
Orville L. Freeman in Wisconsin
March 30, 1968

I am in Wisconsin for these reasons:

First, I am here to seek your support for President Johnson, for I believe with his continued leadership we have the best opportunity of continuing the programs and policies that this Nation so vitally needs at home and abroad.

Second, I am here because I feel some facts need airing -- calmly, dispassionately -- that haven't been aired so far, in the midst of this emotionally-charged primary campaign.

I am here to answer your questions, as fully as I can, and as long as time permits.

And finally, I'm here because, as a life-long liberal Democrat, I am not prepared to turn over the fortunes of this country to the likes of Richard Nixon next November, and thereupon tear down the edifice of social progress that has been erected over the past eight years, brick by brick, by Presidents Kennedy and Johnson.

And that is what is likely to happen this fall if the Democratic party goes into this next election hopelessly split into cults of personality, riding off in all directions at once.

In another election year -- 1940 -- also a period of turmoil at home and war clouds abroad, Sidney Hillman said it much better than I:

"It will be a sorry day ... for the nation," he said, "if at this critical hour we permit division among the liberal groups whose unity made these (recent social) gains possible. The reactionaries never divide. They always hang together.* The great misfortune of the past has been that liberal groups could not remain united. It is our great obligation to keep progressives and liberals united or we are going to lose a great deal of what we have gained in the past few years."

It was true then and it is true now. We have gained a great deal in the past few years, and we can't afford another eight years of stagnation such as the period from 1952 through 1960, when Richard Nixon was last in high office.

*Emphasis added

(more)

When John Kennedy asked me to join his Administration in 1960, I did so because there were policies and programs that I, as a liberal, wanted to put into effect. After President Kennedy's tragic death I stayed in the Administration because President Johnson believed in the same programs and policies that his predecessor had.

In these eight years, my faith, and the Nation's faith, in both men has been justified. I've seen Medicare enacted over the all-but unanimous opposition of the reactionary coalition. I've seen more civil rights legislation enacted than any time since the Civil War. I've seen the re-enactment of the Food Stamp program, killed by the conservative coalition during World War II, revived by President Kennedy and made nationwide by President Johnson, and I've stayed to see it feed $2\frac{1}{2}$ million hungry Americans.

And a lot more.

(more)

Just in the past four years, the period during which some would have us believe America is going to hell in a handbasket, I've seen federal expenditures for education tripled; the number of college students getting federal grants and loans increase five-fold, 137 new clinics built to help 40,000 mentally retarded children, and two million poor boys and girls enrolled in Headstart classes.

I've seen, for the first time in history, the United States make a commitment to eradicate poverty from the face of the land, and I've seen the enactment of a rational farm program that's raised farm income, eliminated the surpluses, and allowed us to meet our foreign aid and trade commitments.

These are the kind of problems and solutions that brought me into government in the first place and that have kept me there since.

So let's forget the oratory on how bad things are for a moment, and look at the actual appropriation figures for necessary and socially desirable programs:

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Federal help for education:

In 1961	\$944 million
In 1964	\$1.3 billion
In 1968	\$4.5 billion, up 239 percent from four years earlier.

For health and welfare, including anti-poverty:

In 1961	\$22 billion
In 1964	\$27.8 billion
In 1968	\$43.9 billion, up 57 percent from four years earlier.

These cold figures represent the greatest change in heart the country has ever undergone -- greater even than the revolution of the New Deal. They represent literally millions of lives changed for the better. They couldn't have been accomplished without a Democratic Congress and a strong, resourceful and determined Democratic President.

(more)

That President's programs are in trouble now, not because he has not devoted every resource at his command to them, but because there are fewer liberal votes in the Congress now, and the money needed to fund them adequately isn't forthcoming. The President was not unaware this might happen. Yet he had the courage to go forward anyway, to help the people left behind in this rich land of ours, people who need our help very badly.

Now he needs help to move forward further -- and believe me, he has earned it and deserves it from all Americans, but most emphatically from his own party.

I wish that you could travel around the country and see what I've seen. Down in Indiana last summer I talked to young men at a Job Corps Center, run by USDA, who had hope for the first time in their lives, kids who would have spent their entire lives on welfare and dope, living out an aimless existence for the days of their years, except for a federal program President Johnson believed in and got through the Congress.

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Or I wish you could have been with me at a Cleveland school two months ago and seen some six-year-olds eating a federally-provided hot breakfast, some of them for the first time in their lives ... or down in Alabama and have seen the pride of some poor Negro farmers who now own their own vegetable cooperative, thanks to OEO and USDA help.

These are the things that are at stake in this election, and these are the things that I am concerned about, the President is concerned about, and that the people of this Nation should be concerned about.

And paradoxically, these are the very accomplishments that are being overlooked, and in danger of being lost, in what I can only describe as an orgy of self-flagellation by those who are saying this Nation is on the edge of Armageddon.

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It isn't. It's struggling very hard -- and well on its way to overcoming -- massive problems that have been piling up for decades; some for literally hundreds of years. And if you think there's anything new about these problems, or if anyone thinks they can be solved merely by pointing out they exist, or by oratory, then he's very badly mistaken.

The agony of the cities -- to name only one -- hasn't even been attacked in any serious way until the past eight years, but it's been with us ever since the early years of the Republic. Listen to the words from Alexis de Tocqueville, written in 1830:

"The lower ranks which inhabit these cities ... consist of freed blacks, who are condemned by the laws and by public opinion to a hereditary state of misery and degradation...

"As inhabitants of a country where they have no civil rights, they are ready to turn all the passions which agitate the community to their own advantage; thus within the last few months, serious riots have broken out in Philadelphia and New York ... I look upon the size of certain American cities, and especially on the nature of their population, as a real danger which threatens the future security of the democratic Republics of the New World."

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Shades of Dan Moynihan and the Kerner Report.

Now there are two ways you can look at this. If you're what Willard Wirtz describes as a patio liberal, then you throw up your hands and say, in effect, "How terrible. Lyndon Johnson's had a good five years to renew the cities, solve the farm problem, clean up the rivers and the air, and end war for all time, and he hasn't done it!"

Or, if you're what my Cabinet colleague calls a "working-stiff liberal," then you know just how difficult it's been to make the very real progress we've made so far, and you also know the tough, grinding job ahead to get the programs and appropriations through the Congress to continue the job. So you roll up your sleeves and stay with it.

Sure, we haven't solved all the Nation's problems, but we are making progress; we can measure that progress, and further we know that oratory and breastbeating won't solve them; only hard work will.

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What is true domestically is true beyond our shores. The cold hard facts are that this Nation is confronted by an armed, aggressive China, bent on extending its domination throughout Asia. Oratory won't make this problem go away either. Three United States Presidents, of whom Lyndon Johnson is the latest, have chosen to resist this armed aggression in Vietnam, to buy time for the smaller, poorly-armed Asian Nations who are the logical victims of this expansionist aggression. I have talked with some of the leaders of these small Asian states. They are desperately concerned over the Chinese threat. Almost without exception they back what we are doing in Vietnam. They believe, most of them, that with enough time they can develop the strength and political leadership in their respective countries to make it possible for Asians themselves to prevent the spread of Peking-back Communism throughout Asia. Without the help of the United States they will never have the opportunity.

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While resisting this aggression, three United States Presidents have tried -- at long length and by a variety of approaches -- to negotiate a settlement with the North Vietnamese and the Viet Cong, one that would leave a free South Vietnam. Each has been unsuccessful, not because of intransigence on his part, but because the only terms acceptable to Hanoi would result in abandoning South Vietnam to Hanoi and breaking our solemn commitment before the entire free world.

None of the candidates, Republican or Democratic, have announced they're willing to settle for this, but several of them would have you believe they have an answer to end the war on honorable terms. If they do, I would like to hear it; the President would like to hear it; the Nation would like to hear it and the world would like to hear it.

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If wishing would make this war go away, it would have been ended a long time ago. It won't. If bombing pauses -- such as the 37-day pause President Johnson initiated -- would make this war end, it would have ended a long time ago. The fact is, the only terms the enemy is willing to accept at this point are withdrawal of U. S. forces and turning over of South Vietnam to them. And this "solution" is unacceptable to the vast majority of Americans, whether they consider themselves hawks, doves, or some other form of bird life.

Nor is it true that, if we could somehow end the war, all our domestic problems would vanish. They existed long before our involvement in Asia and will exist long after the war's end. Their solution lies in greater funding of the programs designed to eliminate the problems, and this, basically, is a domestic political problem, soluble in the Congress and its committees. I can assure you the money spent in South Vietnam won't automatically show up in our social, welfare, conservation and farm programs, as much as we may desire it. It just doesn't work that way.

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Nonetheless, we can afford what must be done.

I say this despite the current budget squeeze.

It is simply not true that the Nation cannot meet both its foreign and domestic commitments. We can.

We are spending for defense a smaller percentage of our national goods and services now -- in wartime -- than we did 10 years ago in peacetime.

This year we'll spend about 3 percent of the Gross National Product on direct Vietnam war costs. In total, we'll spend 9 percent on all defense costs, including Vietnam. But in the peacetime years of 1955 to 1960, we spent an average of 10 percent of our GNP on defense. In the Korean war we spent 13½ percent and in 1944, during World War II, we spent a staggering 42 percent of our national output for war.

So the charge that meeting our commitment in Vietnam is stalling social progress just doesn't hold water. We're spending in the aggregate more now for social programs -- Medicare, aid to education, public housing, poverty -- than ever before in our history, and we can afford to spend more. As Walter Heller wryly points out in the current issue of Harper's Magazine:

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"... the prodigious potential of our economy" is such that more cars are stolen in the U. S. every year than are manufactured in the entire Soviet Union.

And then Heller went on to say:

"But behind the humor lies an economic truth of great force: failure to move ahead strongly on the home front -- against poverty, ignorance, crime and squalor, especially in our urban ghettos, and against pollution of our water, air, and land -- would be a failure, not of our economic capacity, but of our political and moral will."

We don't have any trouble at all, as a Nation, putting a third car in the garage or building country clubs. Those things we want, as a society, we get.

If we really want to meet both our foreign and domestic commitments, the best way I know to do it is to support President Johnson's surtax proposal.

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Even with this surcharge, our federal income tax would still be about \$13 billion less than it was before the tax cuts of 1964 and 1962. And taxes, high as many of us think they are, are still much lower here than in many advanced nations. In the U. S. total taxes, federal, state and local, come to about 27 percent of our Gross National Product. In France and Sweden they're 38 percent, and in West Germany they're 34 percent. Italy at 30 percent of the GNP, and Great Britain at 29 percent, both have a tougher tax bite than the United States.

So passage of the tax bill is the path of responsibility, of reason, of fiscal sanity -- but it is unpalatable to many politicians in an election year. And yet it is necessary.

Because our time is short, and because I am interested in hearing your questions and comments, I will close now. But before I do, I would call your attention to these words from the past, which have a bearing, it seems to me, on the turmoil we face today:

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De Tocqueville said it, 140 years ago:

"Only great ingenuity can save (one) who undertakes to give relief to subjects after long oppression. The sufferings that are endured patiently as being inevitable, become intolerable the moment it appears there might be an escape. Reform then only serves to reveal more clearly what still remains oppressive and now all the more unbearable.

"The suffering -- it's true -- has been reduced. But one's sensitivity has become more acute."

The oppression of bigotry that the Negro has endured patiently for hundreds of years, is finally being lifted. The oppression of poverty, which millions, black and white alike, have endured as inevitable, is slowly, painfully being corrected.

And so there is torment, there is frustration, there is turmoil. But hope there is also.

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From those on the right with a pathological resistance to change, the President is bitterly criticized for even raising these hopes. From his critics on the left, he is just as bitterly condemned for not righting the wrongs of centuries in four short years.

But the voices of discord cannot erase the hope, or the progress, or the achievement. That is on the record, and it is a record of which every American can be proud.

Thank you.



U.S. DEPARTMENT OF AGRICULTURE
Office of the Secretary

Secretary Freeman's Statement
At Tokyo Press Conference, 2 p.m., April 8

The trade that has grown up between Japan and the United States has no parallel in the world. By any measure, it is a vast exchange of goods.

Last year we shipped to Japan merchandise valued at over 959 billion yen, of which a third was farm products. Japan shipped to the United States a wide variety of items, mostly manufactured, having a value of 1,077 billion yen.

As Secretary of Agriculture, and head of the U.S. Trade Mission to Japan, I also am pleased with the attendance at our American Festival. This unique food show, the largest ever staged by the United States in the Far East, will run through April 21 at Harumi Wharf.

Our show is one way of saying "thank you" for being such a good customer in the past. And, since I'm here on a trade mission, let me say that I'm hopeful you will be an even better customer in the future.

I am glad to be in Japan this year -- the 100th anniversary of the Meiji Restoration. This truly has been a century of progress for Japan. It still is hard to believe that so much has been done by your country in such a short time. But what has taken place in the past century is only a small sample of the advances that will come in the next 100 years.

America and Japan have great roles to play in each others' futures.

I base that statement on three facts.

First, our countries are demonstrating on a great scale the truth of a doctrine enunciated almost 200 years ago by Adam Smith, the father of modern economics. Smith set forth, in *Wealth of Nations*, the principle that an international division of labor -- through trade -- makes as much sense on the world scene as it does in a factory.

Smith said, "Trade which, without force or restraint, is naturally and regularly carried on between any two places, is always advantageous ... to both."

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Certainly, U.S. buying of Japanese goods has promoted your prosperity. And your buying of U.S. products is doing a great deal to bolster our economy. American farmers in particular are aware of what your near-billion-dollar buying means to them in terms of farm income.

Second, our countries are demonstrating our mutual success in developing systems of enterprise that create jobs and earn wages and enable our people to reach out -- through trade -- and buy in large quantities those good things of life that improve our respective standards of living.

"Made in Japan" is being seen more and more frequently in American stores. Your factories are adding variety and interest to the goods available to U.S. consumers. Our farm products, in turn, are meaning improved diets for your people and, in some instances, such as your imports of cotton, raw materials for your busy industries.

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The third fact is that Japan and the United States -- because we have learned that growth comes best when we grow together -- are in a unique position to help other countries to attain these same ends.

Helping them attain these ends unquestionably would be in the enlightened self-interest of our two countries. We know that economic development stimulates trade. You have demonstrated that; we have demonstrated it.

We all have seen it work in other countries -- for example, in Thailand, Taiwan, and South Korea. Eventually, when peace comes to this part of world, we will see it work in other countries of Asia.

Two years ago in Washington I proposed an informal partnership -- a partnership in spirit, so to speak -- between friends having our similar capacities and goals, and an active pursuit of those similar goals -- sometimes independently, sometimes together, sometimes through existing international organizations.

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From such an informal partnership can emerge improved agriculture, improved industry, and improved trade. Most important, we'll have improved standards of living and improved chances for peace and freedom. These, in the last analysis, would be the most important gains of all.

We are making some headway, I think. The United State has taken the lead in supplying the food aid that helps developing countries during the critical period when they are strengthening their own agriculture and industry. And we have furnished other types of aid.

Japan, too, has been furnishing capital, like the United States, to the Asian Development Bank and other international assistance programs. Japan also has been supplying badly needed technical assistance to the other farm people of Asia.

We are making progress. But we need to make broader progress, faster progress. I'm sure that we will.

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Let me say, in conclusion, that Mrs. Freeman and I, and all the other members of our trade mission, are enjoying our visit immensely. The hospitality that has been extended to us in Japan has been unparalleled in our experience. We are deeply grateful.

We extend our very best wishes to all the Japanese people.

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In 1871, during his first term as President, Ulysses S. Grant made a statement to his Secretary of Agriculture that has proved to be perhaps as profound as any in American history.

"I look upon the (Agriculture) Department as a very important one," he wrote, "and full of benefit to the country if wisely administered. But, with all its importance, it is not equal in value to our country to your new mission."

He was writing to Horace Capron, the Nation's second Secretary of Agriculture, who had resigned to accept that new mission. The mission was to serve as agricultural advisor to Japan, then in the fourth year of the Meiji Era, getting "on the mark," so to speak, for its race with destiny.

I think it is significant that as part of this preparation, the Emperor put great store in a sound, progressive agriculture, and I am proud that he chose as advisor an American Secretary of Agriculture.

We all are pleased and proud that Horace Capron has a place in the observance of the Meiji Centennial.

Secretary of Agriculture Orville L. Freeman's address at the joint luncheon of the American-Japan Society and the American Chamber of Commerce in Tokyo, Japan, April 9, 1968, 1 p.m. Tokyo time; April 8, 11 p.m. U.S. (EST).

Capron worked with the Japanese people for four years. He introduced new crops, new techniques and new ways to save labor. He played an important role in modernizing agriculture, and he gained in the process a healthy respect for the Japanese farmer.

"What an instructive lesson for the American farmer may be gathered from ... the agriculture of these people," he wrote in 1873. "(With) thrift, economy and skill ... the Japanese farmer produces annually from one acre of land the crops which require four seasons under their system in the United States There is nothing in the agriculture in our country that can bear a comparison with this"

As a result of his work in Japan, Capron received from the Emperor the Second Order of the Rising Sun, and the world received what may have been its first lesson in the value of technical assistance between countries.

But most important, this pioneer undertaking marked the beginning of Japanese-American cooperation for the mutual benefit of both countries.

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We have not always, to be sure, followed the example in cooperation set by His Imperial Majesty the Tenno of Japan and Horace Capron, United States Secretary of Agriculture, and when we have not, it has almost without exception been to our sorrow.

But I think the facts that more than 50 Americans are here today on a trade mission to preserve and expand a near-billion-dollar agricultural market in Japan, and that in turn the United States buys about 30 percent of Japanese total exports of more than \$10 billion are pretty good evidence that our two countries have cooperated more often than not.

This, to me, is "economics in action" -- trade partnership that is good for everybody.

And that is what I want to talk about for a few minutes today -- the Japanese-American trade partnership that has meant so much to the economies and to the well-being of each country.

Let me start by saying that this partnership is living, growing testimony to the trade principle of our two countries -- the belief that in the long run and in the overall picture, all Nations benefit from more trade.

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That is why the United States is dedicated to a policy of expanding its international trade in the best interests of all who participate.

We believe in Adam Smith's idea that the division of labor -- a partnership of effort -- makes as much sense among nations as it does in the factory.

We believe that the bond between two countries -- its permanence and its strength -- depends on that bond's being in the interest of both, and I will tell you very forthrightly that we are dedicated to a program of more trade with Japan because it will strengthen us both.

I will tell you, also, that no segment of the American economy is more aware of foreign trade than agriculture. American farmers exported 50 percent more last year than they did in 1960. We have reached the point in American agriculture where the produce of 70 million acres -- one in every four harvested -- moves in export channels.

There is growing farmer understanding of foreign trade -- that it depends on buying as well as selling. The American farmer today, by and large, rejects the old protectionist point of view.

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His attitude might be summed up in this statement from an editorial in the Ohio Farmer a couple of months ago:

"What happens in Washington," it said, "can have important bearing on the levels of our future farm exports. Restrictions on imported steel, textiles and other manufactured items can hurt the sale of farm products we'd like to export."

And I can assure you that in Washington today, no one is more strongly committed to liberalized trade than President Johnson.

He made his position eminently clear even as he explained to the American people last January 1 that certain measures were necessary to restore equilibrium to our balance of payments.

"More than ever before," he said, "the economy of each Nation is today deeply intertwined with that of every other. A vast network of world trade and financial transactions ties us all together. The prosperity of every economy rests on that of every other.

In the same statement he said:

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"In the Kennedy Round, we climaxed three decades of intensive effort to achieve the greatest reduction in tariff barriers in all the history of trade negotiations."

Then he nailed his position down with these words: "Trade liberalization remains the basic policy of the United States."

That is the spirit in which President Johnson approaches the problems generated by the ebb and flow of commerce, problems that occur in any country -- Japan, the United States, Britain -- you name it.

Each country must alleviate its particular problems, but the measures taken, directed at specific problems at specific times, do not void a liberal trade policy if they are taken only when necessary and if they are used with good sense.

Most of these problems do not even exist when viewed in the long run and in relation to the over-all good of the total economy involved, but rather they come regarding little segments of the economy, in short term specifics.

But they demand the attention of government.

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Often the segment wanting protection only thinks it needs it, but in some cases it is a victim of circumstances and is entitled to a protective instrument to fit the need.

This was the case, for example, in the U.S. dairy industry last year when a sudden 400 percent increase in imports made it necessary for the President to sharply increase our dairy restrictions.

For the most part the protective devices of the United States are designed to avoid unfair competition while at the same time sharing market growth with the rest of the world, such as our beef quota law, a quota which so far has never been used.

However, our crucial trade problem today goes beyond a single market, a single segment of the economy. It is our balance of payments deficit.

We are acutely concerned about this, and we are determined to do what must be done to restore equilibrium. But we are determined to do it in the best way possible, with the most international cooperation possible and with the least interference in the growth of international trade.

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If the United States is to work its way out of its current balance of payments difficulties, it needs the cooperation not only of the American people and the Congress, but of other countries -- perhaps no other single country so much as Japan.

In this connection, the elimination of some of the more than 125 quota restrictions imposed by Japan would be of considerable help. It is hard for us to understand why some of these quotas are maintained when it appears, to us at least, that their removal would do no harm of consequence to any domestic Japanese industry -- such things as grapefruit and chewing gum for example.

We do appreciate Japan's controlled approach to the export of a number of items to the United States, and we do appreciate the fact that Japan, unlike some countries, has not put pressure on our gold.

We appreciate -- and appreciate greatly -- the fact that Japan is by far our best cash market for agricultural products.

This market of almost \$1 billion comprised more than 20 percent of our exports in agriculture last year -- exports that have been the one bright spot in our balance of payments.

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Our agricultural products shipped to Japan represent the harvest of 7 million acres of American farm land. That is more than half the 13 million acres of arable land in Japan, and right here I would like to pay tribute to the Japanese farmer who can work that land so diligently and so well that from it he supplies 75 percent of the food needs of a population of 100 million.

Japan can be proud of its farmers.

Three things stand out in Japanese agriculture.

First, its extremely high productivity -- which was first cited by Horace Capron almost 100 years ago -- is based on a highly developed agricultural science, outstanding extension service, and, above all, it is based on the hard work of Japan's five million diligent, progressive farmers.

Second, the development of agricultural cooperatives has been an outstanding feature of Japan's agricultural progress. Zenkoren, the world's largest cooperative, is in fact the largest single cash customer for American agricultural products in the entire world.

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I visited with Mr. Mishashi in February when he came through Washington on the way to Galveston, Texas, for the maiden voyage of a fleet of ships being built by Zenkoren to bring American feedstuffs to Japan for processing in its mills for distribution to its more than five million members.

This is dynamic, aggressive cooperative action at its best, action of the type that farmers the world over should have in order to compete for their fair share of the returns from their country's economy.

Third, Japan has an active program of sharing its agricultural know-how with the developing countries in Southeast Asia.

I am well aware of the fact that many of the products which those countries would produce will be in direct competition with those we are now selling to Japan. However, I am confident that the continuing, vigorous growth of Japan's economy will provide an expanding market.

But most important, I am aware of the fact that in the long run, economic growth in the less developed countries such as those Japan is helping and those the United States is helping is the key to activating the greatest undeveloped market on earth.

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That, I am confident, will be the final result of the effort by our two countries and by others similarly situated to help the less developed countries. I can think of no better goal.

This market lies with the billions of potential customers in the newly developing world -- the billions of people whose numbers are multiplying and who have an almost limitless capacity to consume.

But these people are poor. This sleeping giant of a market will arise only as the people gain incomes high enough to buy beyond bare subsistence.

It is to the common interest of Japan and the United States that we give these people a leg up the ladder of economic development, and I am pleased that we are doing so.

There is solid evidence that this giant is stirring, that more countries are turning from aid to trade. Israel, Taiwan and South Korea are three dramatic examples of this rapidly shifting economic emphasis.

Japan itself is a sleeping giant awakened -- a classic example of what happens with the wise use of economic assistance and progressive trade policies.

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The story can be told with two figures in a field with which I am most familiar, agriculture: In 1956, Japan imported \$370 million worth of American farm products, one third of it under the assistance provisions of Public Law 480. Today, 12 years later, the trade mission that I head is in Japan seeking to make a near-billion-dollar agricultural market even better.

Japan and America do not talk P.L. 480 any more. They talk dollars.

Japan's industrial growth has been phenomenal -- 50 percent in Gross National Product in the last three years alone. If this growth is to continue, and it will, it will mean a continuing shift of workers from the fields to the factory, and I understand this is disturbing to many Japanese.

They are concerned at the decline in the rate of their country's agricultural self-sufficiency. I think their fears are without foundation for two reasons: First, Japan's remarkable industrial economy gives it the growing strength to go elsewhere for its food needs, whatever they may be, and second, American producers have the capacity to produce that food.

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Our producers stand ready to supply Japan's growing need for agricultural products, and our consumers continue to want Japan's motorcycles, automobiles, sewing machines, cameras, electronic equipment, and our manufacturers want its steel.

We are interested in this sort of division of labor -- this partnership -- between nations, and I think the precise way that our feed grains and soybeans fit into the spectacular expansion of the Japanese livestock industry the past few years is a good illustration of how it works.

This sharing of what each can do best is good for both, but it must be based on dependability. Let me take this occasion to guarantee that the United States will continue to have available all the agricultural products that Japan will need.

United States agriculture, while abundantly supplying the consumers at home and helping to feed millions abroad, still has millions of acres of croppable land in reserve.

Along with this vast land resource, we now have in the United States a farm program that permits us to tune production to demand -- effective demand -- around the world.

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With it we can move feed grain, cotton and wheat land in and out of production quickly to meet the changing needs of our customers, both at home and abroad.

We are using it in the interest of the American farmer and consumer, and in the interest of our customers overseas.

And we in American agriculture know that we have no better customers abroad than those of Japan.

That is why we are on this Trade Mission -- to do what we can to expand this market, to strengthen the Japanese-American trade partnership that has meant so much to both countries.

Let me close by emphasizing our high regard for this partnership, and by stating again that the United States wants to trade; we want the whole world to trade.

We believe that it is not so wild to dream of the day when the division of labor will be truly worldwide, when, thanks to the financial and technical assistance of Japan and the United States and their world colleagues, the sleeping giant -- the billions of persons in the less developed countries -- will become part of a working, growing world economy that will provide abundance for all, and the path to world peace.

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I believe that Japan and America are pointing the way toward that horizon.

We have our problems with each other, true, but I believe that if we continue to work together, with good will, and with a clear understanding of our basic goals of continued friendship and beneficial trade, not only will our own countries benefit, but the whole world will gain from the example.

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My visit here has reinforced a conviction that I have held for a long time. It is the conviction that although this is a perplexing, troublesome time in which we live, it is also an exciting time, a time for hope.

What I have seen and what I have heard the past two days, and what I already knew about the courageous, industrious people of Taiwan, convince me that the future of mankind is bright.

I say this because what is happening in Taiwan is living, growing proof that a revolution in food productivity that will change the world -- and change it for the better -- is possible, even likely.

What is happening in Taiwan is happening in other developing countries -- not enough, to be sure, but it is starting in some and it will start in others.

Secretary of Agriculture Orville L. Freeman's address at the luncheon of the American University Club and Taipei American Chamber of Commerce in Taipei, Taiwan, at noon, April 12, 1968, (8 P.M. April 11, EST).

And that is why I say that the future of mankind is bright: For the first time, we have the clear prospect of eliminating world hunger, of the chance for all people to have some of the amenities of life, the chance of meeting the growing demand for adequate food, suitable clothes and decent housing upon which much of today's unrest is based.

It will not be simple. It will not be easy. But we know it can be done. It can be done if the Nations that are able persevere in programs of capital and technical help to those that need it, and if all Nations, whatever their stage of development, fix as their goal the worldwide partnership of effort that will be required to enable the world's billions to feed, clothe and house themselves.

This partnership involves, among other things, the division of labor through world trade, of each country doing what it does best, to the benefit of all.

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I am, as you know, in the Far East on a trade mission, and I want to talk about trade. But first I want to talk about Taiwan, because, until it has done what Taiwan has done, no Nation can use trade as a really effective force in the economic development that is essential to the well being of its people.

Taiwan, in virtual chaos in the late 1940's, today stands as a beacon of progress for every developing country, a blueprint for the careful planning, the wise use of aid and the diligence and energy required of a people who would lift themselves to a better life.

Taiwan moved from aid to trade in 1965. That was the year when United States economic assistance was terminated, and let me say that I am proud of the role that we were able to play in what is certainly one of the most dramatic success stories in recent Asian history.

This is what that story sounds like today:

Taiwan's gross national product increased in real terms by an average of more than seven percent per year for 10 years, jumping to 9 percent last year.

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Gains in farm production have risen at a yearly rate of nearly 4.5 percent, with agricultural production per acre almost doubled since 1950. Farm output in 1967 set an all-time record high.

Industrial production increased about 13 percent annually from 1952 to 1966.

Per capita income has increased on the average more than 3.5 percent per year, and I understand the Economic Development Plan being drafted for 1969-72 aims at an increase in per capita income of almost 50 percent.

Total exports in 1967 were well over half a billion dollars, a 26 percent increase over 1966 and almost six times what they were in 1952.

Taiwan today is itself providing technical assistance in food production to 19 African and two Asian countries, involving 600 technicians and expenditures of almost \$4 million.

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These things did not just happen. This story did not write itself. It was written by a government that planned and facilitated private economic development and by an enterprising, industrious, highly skilled population.

And Taiwan's experience should have meaning for many other developing countries, because they share the tropical climate, the rapidly growing population, the limited land resources and long colonial experience of Taiwan.

Well, how did Taiwan do it?

It did it the only way it can be done: It started with agriculture, because agriculture is basic to the economic growth of any country. No developing country is likely to make much economic headway unless it gives priority attention to its own agricultural development.

When most of the people in a country must devote their labors solely to the production of food for survival, there is no labor, capital or market base from which an industrial economy can take off.

The government of the Republic of China understood that, it knew that agriculture is the launching pad for progress in any economy, and it acted.

Its first step was a program of land reform. Rents were reduced, government-owned land was sold to farmers, and tenant farmers were given the chance to become owners, to have a genuine stake in the tillage, management and the produce of the land.

Before reform, nearly two-thirds of the fertile irrigated land was rented. Today it is mainly operator-owned, and it is producing twice as much as it did before reform.

The second step was reorganization of farmers' associations and cooperatives to put them under more direct control of the farmers themselves, giving farmers a larger voice in their own future and more muscle in the marketplace.

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And finally, the basic program for strengthening and expanding agriculture was completed in 1953 when agricultural development planning was launched with the first of the successive 4-year plans.

Its aim was to get the most out of the scarce land -- only 2.1 million acres to support a population of 13 million -- and to make the best use of water, fertilizer, pesticides and other production requisites.

New techniques and new technologies were introduced in stages. Agricultural experiment stations carried out the basic research, improvement stations throughout the country made field tests, and, most important, field demonstrations on farms convinced farmers that the new method -- the new fertilizer, the new pesticide, the new seed or breed -- would be of great value to them.

I have already told you how well this effort succeeded -- 1967 production an all-time record, output per acre nearly doubled -- but I have not mentioned the one factor without which the best planning, the best research and the best teaching would be so much wasted energy.

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That factor is price. Unless a farmer can get an incentive return from his extra efforts, there is not much point in going beyond the production needed to feed himself and his family.

This is true in Taiwan, it is true in the United States and it is true anywhere that men till the soil, and I might say that historically farmers worldwide have generally received much less in proportion to what they contribute than any other segment of the economy. That is still true.

But Taiwan's farmers, thanks to wise government policies, their own associations and cooperatives, and to increased domestic demand have been receiving prices that make it both possible and worthwhile to invest in the techniques that have made these dramatic gains possible.

And they have done so:

The evidence from Taiwan shows, and shows clearly, that farm people do respond to incentive prices, that they will give up the old ways for new -- if the new ways are profitable.

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This is a message that should be heard -- and understood -- by every chief of government of every developing country.

Because it was understood by the government here, farming in a free Taiwan has moved rapidly toward a market agriculture, and Taiwan itself is in transition from a basically agricultural economy to an industrialized economy.

Industry in 1965 surpassed agriculture in its contribution to the gross national product for the first time, and this trend is being maintained.

Taiwan is on the way -- dramatically on the way -- toward a full partnership in the world economy.

It already has become an important market for U. S. exports -- \$333 million worth in 1967, one-third of that in agricultural products.

And that is why this trade mission is in Taiwan -- governors of three of our states, and representatives of Congress, of our leading farm organizations, and of the Department of Agriculture.

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We are here because Taiwan is a customer of growing importance to the American farmer.

Last year we supplied 90 percent of Taiwan's agriculture imports. Taiwan was America's third most important cotton export market. Our soybean exports to Taiwan, which moved under the assistance provisions of Public Law 480 in the 1950's, were 5 percent of our total exports last year -- all on a commercial basis.

Wheat imports from the United States last year were 449,000 tons, 1.6 times what they were in 1966 when P. L. 480 shipments ended -- and all for cash.

At the same time, you have been selling to us. Textile exports to the United States, for example, have expanded sharply since 10 years ago. Taiwan's sugar exports to the United States this year are expected to be worth about \$100 million.

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Our objective on this trade mission has been to strengthen and expand this trading partnership.

We came here to assure the people of Taiwan that the United States is dedicated to a policy of expanding its trade in the best interests of all who participate -- and that American agriculture is a dependable, able component of any such partnership.

We are dedicated to the principle that in the long run, in the total economic picture, all Nations benefit from more trade.

President Johnson made this clear at the same time that he was telling the American people, in a message last January 1, that certain measures were necessary to restore equilibrium to our balance of payments.

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He noted that the economy of each nation today is more than ever before intertwined with that of every other nation, and that the prosperity of every economy today rests more than ever before on that of every other.

He cited the Kennedy Round as the climax of "three decades of intensive effort to achieve the greatest reduction in tariff barriers in all the history of trade negotiations."

And then he said: "Trade liberalization remains the basic policy of the United States."

That is the policy, even when the United States must act against the specific problems that occur at specific times in the commerce of any country.

There are times when a segment of the economy in any nation becomes the victim of circumstances, and is therefore entitled to some help. And when these circumstances occur, as in the case of dairy imports in the U.S. last year, the measures taken are not based on the principle of protectionism, but on the principle of fairness. They do not void a liberal trade policy.

We take the same view in our effort to restore balance of payments equilibrium. We will do what must be done, but we are determined to do it in the best way possible, with the least interference in the growth of international trade.

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For we are convinced that liberal world trade -- Adam Smith's division of labor among Nations -- is the only path to a world free of want, a world of economic opportunity for all.

The American farmer is becoming more aware of the importance of world trade each year.

He is exporting today the produce of one in every four acres he harvests, 50 percent more than he did in 1960. Seventy million acres is farmed for overseas markets.

There is growing farmer understanding that foreign trade means buying as well as selling. The American farmer today, by and large rejects the protectionist point of view, although, as you are well aware, important segments of American agriculture and some American politicians in both political parties are still protesting imports thoughtlessly.

Last month, representatives of 17 farm organizations and trade groups were at a meeting where a telegram was drafted opposing the proposal for textile restrictions. This telegram was signed by 16 of the 17, including the four leading farm organizations, and sent to the members of Congress.

This statement appeared in an editorial in a recent issue of an Ohio farm magazine:

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"What happens in Washington," it said, "can have important bearing on the levels of our future farm exports. Restrictions on imported steel, textiles and other manufactured items can hurt the sale of farm products we'd like to export.

And American agriculture understands that foreign trade must be based on dependability of supply.

It seems to me that this is of particular importance for Taiwan, changing, as it is, from an agricultural to an industrial economy, and putting heavy emphasis, as it is, on building up export processing or manufacturing industries.

I can tell you that American farmers stand ready to supply Taiwan's growing needs for agricultural products, and that they have the production potential to do so.

Like the farmers in Taiwan, the farmers in America continue to raise their productivity by getting increasingly larger yields from each acre as technology and techniques improve.

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In closing, let me repeat that the last two days have been among the most stimulating of my public career. They have proved to me that mankind can -- if it will -- reach the day when all are fed, all are housed, and all are contributing constructively to their environment, an environment of peace.

I congratulate the people of Taiwan, who today are making that contribution.

I commend their example to all developing countries, to all countries -- for I can think of none better.

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U. S. DEPARTMENT OF AGRICULTURE
Office of the Secretary

Secretary of Agriculture Orville L. Freeman's Statement on the U. S. Far East Trade Mission of April 3-12:*

It is significant that we passed through the Pacific Northwest on our way to and return from the Far East Trade Mission of April 3-12, because the fine wheat that the Northwest produces so abundantly is becoming more popular as a food item in each of the three nations we visited -- Japan, Taiwan, and Korea.

We were assured in Japan that we would continue to get at least 50 percent of an expanding wheat market.

We learned in Taiwan that wheat consumption is growing at the rate of 10 percent per year, largely as a result of our market promotion program, and we were able to pledge to the government and to the trade in Taiwan that we would step up these promotion efforts. I believe that we can count on United States producers' supplying the bulk of the market increase that is certain to result.

And wheat is doing well in Korea. When I got there on a one-day visit, I found that 11 of their flour millers were preparing to go -- on their own initiative and at their own expense -- to our American Food Festival in Tokyo to find out more about the promotion of wheat as a staple in the Korean diet.

We assured these people, and officials of the Korean government, that we were prepared to work with them to further increase the consumption of wheat in Korea, consumption that is now growing at the rate of 6 percent per year.

*(EDITORS: This is an edited version of statement given to reporters at Seattle and Chicago upon Secretary's return from Far East April 12.)

But wheat, of course, was not the only objective of what I consider to have been a highly successful mission, the largest trade mission ever mounted by the United States and a mission that opened the largest food festival ever staged by the United States, an exhibition that will run through April 21 in Tokyo.

There are 18 farm and trade groups, 12 State governments, and 135 private trade firms participating in the festival -- all cooperating with the U.S. Department of Agriculture in a jointly sponsored venture.

And we are getting results -- dollars and cents results plus a lot of good will in a market that is becoming increasingly competitive as other exporting countries are waking up to the buying potential of the people in the vast Pacific area.

Lines were forming at the doughnut machines, the popcorn machines and the soybean oil display at the American Festival long before we cut the ribbon to formally open the fair. And they have continued to be long, which proves to me that we have not really begun to tap this market for American foods.

And we are selling many things at the fair as well as foods.

The biggest single sale reported during the first week was a Japanese purchase of half a million dollars worth of soybeans from North Carolina.

The president of a Minnesota poultry brooder and feeder manufacturing firm reported that he had doubled his Japanese business in five days at the fair.

Illinois reported 15 trade inquires for canned meat products, protein from soybeans and spice flavored ingredients. Iowa is selling popcorn in substantial amount; Maryland is negotiating sales of feather meal and peanut oil.

Several Japanese department stores are having in-store promotions of American foods during the festival, and all are reporting that business is booming.

The first few days yielded \$320,000 in their cash registers, with store officials predicting \$1 million in sales of American foodstuffs by the time the promotion ends.

But the primary objective of this trade mission was not to open the festival, even though its presence gave the event an added public relations boost. Rather, our prime purpose was to talk trade, and to build good will among the Japanese, our leading customer for farm products, and among the people of the Republics of China and Korea.

We were governors talking with governors, farmers and farm leaders talking with farmers and farm leaders, women talking with women, federal officials with federal officials, and trade experts talking with trade experts.

Minister of Economic Affairs Li of the Republic of China told us that this was -- and these are his words: "The most important trade mission ever to visit Taiwan."

And that sounded good to me, especially since I had read in the China Post that very morning that the Australians had opened a commercial attache office in Taipei the day before.

Let me give you just a quick recap of what we found and what we did in each of the countries, and then I will be glad to answer your questions.

In Japan, our number 1 tariff achievement in the Kennedy Round was in soybeans. We are scheduled for a 40 percent reduction in duty as of July 1, but we were not satisfied with that and pressed for a reduction of 100 percent, and we feel we have encouraging support for this in that country now.

We also pushed the Japanese for a duty reduction within the quota system on corn for industrial use. Action on this was under way when we arrived. It will result in duty free entry for from 300,000 to 400,000 tons annually.

We asked for liberalization of quotas on a number of items such as grapefruit, citrus juice, canned pineapple and papaya. I believe the Japanese will take some liberalizing action, but whether they will go all the way I can't say.

We found some trade problems in Japan. They complained that since March 1 the moisture content of our corn had been too high, and we offered to exchange inspection specialists to look into the situation in both countries.

The Japanese told us we had lost cotton sales in recent months because our production had dropped. We told them they could expect a substantial production increase from us in 1968.

They said that sorghum prices were too high, and they were worried that corn prices were going up this year.

We explained that sorghum prices resulted from normal market forces, including an increase in livestock feeding in our Southwest, prime sorghum country.

On corn prices, we reminded them that corn prices last year were the lowest in 7 years, and they, being excellent businessmen themselves, understood that to sacrifice the American farmer, their best supplier, for a few short-term extra dollars would be poor economics.

We found that traders and government in Japan, and in the other two countries as well, were worried about what they felt was a rising protectionist attitude in the United States.

Using the Senate's textile quota bill as an example, they let us know of the possibility of cutbacks in their buying of our farm products if it became law.

We replied that the best way to handle this matter, and to help us solve our balance of payments problems, is for them to buy more from us, not less.

We reminded them -- all three countries -- that they have as big a stake in keeping the dollar sound as we do, and they got the message.

Our trade promotion programs, particularly in Japan where they have been in operation longer, were working well.

The Japanese millers told us the promotion efforts were the principal reason for the huge success of wheat as a new food item in Japan.

Officials of the tobacco monopoly were enthusiastic about the promotion effort. They said that when it was begun 10 years ago, 30 percent of the sales volume contained American leaf. Today that figure is 50 percent.

We found, also, that while we have made gains in boosting soybean oil consumption, we have plenty of room for improvement. Per capita consumption in Japan is 17 pounds per year, compared with 46 pounds in the United States.

It was pleasing to us to visit the Zenkoren Cooperative, our largest and most reliable grain customer, and to learn while we were there that they plan to build two more of their own ships to carry U.S. grain, giving them a fleet of four.

Perhaps the question we heard most often in Japan, which last year bought nearly one billion dollars worth of farm products from us, was whether we were really interested in being a steady supplier of their needs.

We hammered it home every chance we got that we are indeed, and that we have millions of acres of farm land in reserve for that very purpose.

I came away from Japan more convinced than ever that you can't build markets by staying home. I think the people across the Pacific ocean from us have felt neglected, and I think it was long past time that we launched a mission such as this.

This seemed particularly true in the Republic of China and Korea, two countries that are writing remarkable economic success stories, and will be increasingly important trading partners of ours if we demonstrate to them that we want to be partners.

We found tremendous enthusiasm in the Republic of China for market development programs.

The whole delegation, for example, was invited to a demonstration dinner in Taipei where almost the entire menu consisted of Chinese dishes in which American wheat was an ingredient.

This sort of enthusiasm is impressive -- and, I might add, the food was excellent.

We found that the promotion programs of our two governments and the trade fit together remarkably well, and we assured them that we would do our share in expanding the effort.

And when you consider that they bought 450,000 tons of wheat from us last year, you can see how worthwhile that effort is.

We were encouraged about the increasing soybean prospects in Taiwan, already a leading market. They told us of plans to double their hog production, shifting to using beans more as meal for animals.

We suggested that they reduce or eliminate their duty on soybeans, and they agreed to consider it seriously.

We saw there one of the most modern tobacco factories in the world. The director said he had had great success with a new cigarette that contains 50 percent American leaf and that promises further gains for our tobacco.

Incidentally, we sold them \$6 million worth last year.

We are not doing very well in selling feed grains in Taiwan. One reason is that they can buy more cheaply from our competitors who have cheap labor and so can deliver bagged grain cheaper than we.

We stressed the need for, and the long term economic benefit from investing in modern port facilities, eliminating the use of bags, and I think they will move in this direction.

We talked with the trade and with officials of the Republic of China about the need to reduce duties on feed grains, and here again I think we made an impression.

Cotton gave us trouble in the Republic of China, where they, too, talked of textile quotas which they feared we would impose.

I sympathized with their situation, but we explained that we could not sacrifice an American industry in the foreign trade process.

They were particularly unhappy with their share of the quota in relation to other countries, but, as in Japan, we were impressed most by their fear of growing protectionism in the United States.

After $2\frac{1}{2}$ days in Taipei, I was convinced that the most essential ingredient to trade is sincere understanding and genuine friendship -- and we have that in the Republic of China.

I also came away with new respect for the hard work and dedication of these people. They have moved ahead remarkably in the last 15 years -- so well, in fact, that they are exporting their "know-how" to more than 20 other developing countries.

I was also tremendously impressed by South Korea, a country that was on the ropes when I last visited there 12 years ago.

Today, they remain a proud and independent people, ready to defend freedom again if necessary -- and in much better shape to do so than they were in the 1950s.

They have wrought what I consider a peace-time miracle to improve the lot of the people.

Construction in Seoul is going at such a great rate that the people call the mayor, "Bulldozer" Kim. Farmlands are being improved and reclaimed, industry is expanding.

The Koreans are intensely interested in market development; they want to participate and we are prepared to work with them.

We saw the glimmer of the beginning of a modern livestock industry in Korea -- the sure sign of an improving economy and an improving standard of living. We are supplying American know-how and will supply more.

We saw a growing market for soybeans, where the first trade in any volume occurred the past year, and we saw a growing market for our feed grains.

I predict that these two -- soybeans and feed grains -- will be large trade items in the years ahead.

Once again, in Korea as in Japan and the Republic of China, we were hit with the textile quota matter, the fear of protectionism in the United States.

I want to close by saying that I wish I could have taken every doubter, every person who has ever said that it is a waste of resources to give a lift to poor countries, every person who criticizes our effort to give the South Vietnamese a chance, I wish that I could have taken them with us on our trip.

I could have proved to them that a helping hand and a free and enterprising people is a combination that can't be beat.

Every American can take pride in our country's contribution to what these people have done.

I can tell you that the people of Japan, the Republic of China and the Republic of Korea understand that contribution -- and they appreciate it.

They will not let us down.

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Statement by Secretary of Agriculture Orville L. Freeman
on recommendations of the Board of Inquiry into
Hunger and Malnutrition in the United States

Many of the findings of the Board of Inquiry into Hunger and Malnutrition in the United States parallel findings of Department of Agriculture studies and my own personal observations on field trips to hunger areas. The feelings of Board members at the disgraceful paradox of hunger amidst plenty are my feelings also.

So I welcome this group to what has often been a lonely battle to eradicate hunger in this Nation. Public awareness and public support of our efforts to feed the hungry are two commodities that have been in short supply over the past seven years. But despite this, more progress has been made in this period than in the preceding 25 years.

Because the Board of Inquiry's report overlooked this progress, and because the sharpness of its attack reflects upon the literally hundreds of thousands of persons -- federal, state and local officials, volunteers who work on it -- I believe it is important that we outline in some detail the very real progress we are making in meeting this problem.

When I became Secretary of Agriculture in 1961, only 1,200 counties (out of 3,091 in the Nation) had a food program. It consisted of the distribution of five surplus commodities worth about \$2.20 per person per month. Only $3\frac{1}{2}$ million people were reached. President Kennedy's first executive order doubled the amount and increased the variety of these foods.

(more)

Surplus distribution provided only non-perishable foods and could not provide foods adequate to a balanced diet. By executive order I established a pilot food stamp program that allowed the poor to purchase a variety of foods in grocery stores. The Congress later made the program permanent and vastly enlarged it.

Today 2,200 counties have food programs, two-thirds of the counties in the U. S. Today, 5.8 million people are being fed, nearly double the number 7 years ago.

Those still on direct distribution now receive 16 different foods worth four times the amount they received in 1961. Food stamp recipients multiply their food dollars by \$15 million a month, \$180 million a year, in additional food purchasing power. They have a much more nutritious diet than is possible with direct distribution.

Compared to the peak year of direct distribution, 1962, when \$253 million was being spent to feed the poor, this fiscal year \$360 million is being expended in direct distribution and food stamps, a 42 percent increase in funds.

Although this progress is substantial, we realized it was not enough. So over the past nine months this Department has:

1. Gained commitments from local government to begin food programs in about 200 of the 330 poorest U. S. counties.

(more)

2. Extended food assistance to another one million people.

3. Reduced the amount needed for food stamps to 50 cents per person per month for the poorest of the poor.

4. Cut the payment in half for first month participants.

Reaching the remainder of the Nation's poorest counties has our top priority. In some of these areas local authorities refuse to cooperate. Ten days ago we initiated direct federal distribution of food in one of these counties, Elmore in Alabama, when we were unable to get a commitment from local government to administer the program. Similar action will be taken next month in a number of other counties. In addition, we are now paying all or part of food program administrative costs in many poorer counties that are cooperating.

We would do even more if we had more money to do it with. We have reached our budget limit during this fiscal year on extending food stamps to more persons. Extension of the program to more people would mean reducing the amount of bonus stamps to persons already in the program.

The Department is now working to eradicate hunger to the limits of its budget; its available manpower and the legal framework in which it must operate. It is seeking new authority to allow it to better do its job of feeding the hungry, and welcomes the active support and participation of the Board in this endeavor.

(more)

This social ill is a great deal more complex than a simple lack of food. It is **compounded** of unemployment, lack of education, discrimination and a centuries-old culture of poverty that the Nation has only recognized in the past few years, to say nothing of attempting to solve.

Some of the Board's 14 recommendations are being accomplished now. For instance, USDA already is training 900 non-professional aides, recruited from the poor, to work in nutrition and in informing the poor of their rights under the stamp program. Eligibility for -- and the amount of -- food stamps are now keyed to income and number of dependents, as the Board suggests. We now have special feeding programs, including a breakfast program, for schools in low-income areas; for Head Start and other non-school feeding.

We do not, however, have all the authority that this Administration has asked for.

Accomplishing most of the Board's 14 recommendations will take new legislation and several billions of dollars from the Congress. Many of their ideas are workable and would help the Nation meet its commitment to the poor.

When and if they are presented to the Congress I will look forward to giving in full the Department's views on them.

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Statement of the Honorable Orville L. Freeman
Secretary of Agriculture
before the
Senate Committee on Agriculture and Forestry
April 24, 1968

Mr. Chairman and Members of the Senate Committee on Agriculture and Forestry, I appreciate this opportunity to appear before you this morning. This is the 8th year in which I have appeared before you to urge the passage of important farm legislation.

All of these legislative proposals have been important -- some more important than others. Among those directed toward the reduction of surpluses and the improvement of prices and income, two stand out -- the 1961 voluntary feed grains program and the Food and Agriculture Act of 1965.

The 1961 voluntary feed grains program was a landmark because it demonstrated the ability of a voluntary program to reduce surpluses while improving farmers' incomes. The 1965 Act was a landmark in several respects. It combined the best features of the voluntary programs of the previous years and extended them to cotton. It provided price supports at near world market levels, greatly improving our competitive position in export markets, with government payments to finance acreage adjustments and supplement market prices as necessary.

The 4-year life of the 1965 Act also was a landmark. It was the first major farm price support legislation since World War II which extended more than one or two years.

These legislative Acts and the many others enacted in the past 7 years are a tribute to the skill of the Chairman and members of this Committee on both sides of the table, in guiding sound farm legislation through the Senate.

I am grateful for the opportunity to once again discuss with you the future of American agriculture and our Federal farm policy. There are two fundamental challenges which I call to your attention:

First: Will today's urban oriented Congress support a continuing national agricultural policy? Has American agriculture convinced the Nation and the Congress that a good farm policy is indeed a national need?

Second: Can the legislative process turn slogans into action by increasing farmer bargaining power in the marketplace? This is the challenge to this Committee, to farm organizations and to those who represent farm people -- to invent new approaches to price-making -- to devise new relationships between seller and buyer in future farm markets.

Let there be no misunderstanding about the current contribution of farmers to our national economy. American agriculture is the most efficient agricultural industry in the world. It brings America's families the most nourishing food in the world at a farm-gate cost of only 5 cents out of each dollar of their disposable income -- 6 cents if all farm program costs are included.

This high level of performance is a direct result of a profit system manned by the best farmers in the world, together with research and development programs authorized and financed by the Congress over the past 100 years, and the credit and price and income stabilization programs of the past 35 years.

In the early days of our Nation, our national farm policy was essentially one of getting the land settled and insuring a Nation of family farms -- through grants and government sale of cheap land to farmers.

Beginning about 1860, the policy shifted to positive governmental assistance to these family farms through public financed research, extension and vocational education. Government agencies undertook to develop new varieties of crops and livestock, new farming practices, and demonstrate their value to farmers. Larger production was to give farmers more net income. Later, government-sponsored and financed farm credit agencies helped the Nation's family farms with needed credit to adopt the improved farm technology.

Some 40 years ago it had become evident that farmers as a group could no longer gain solely by expanding output. The 1920's and the 1930's were years of depressed farm prices. Export markets were deteriorating in the 1920's and domestic markets collapsed in the Great Depression of the 1930's.

The excess supply problem continued after World War II, but for a different reason -- the public and private measures for improving and adopting new agricultural technology now were pushing up supply faster than population growth, higher consumer incomes and expanding foreign outlets increased effective demand.

For the past 30 years, a large volume of private research and development programs sponsored by agribusiness corporations has complemented government-financed research and educational programs. The result has been a remarkable advance in agricultural technology and efficiency: Total farm productivity in the past 20 years has increased at a rate 2-1/2 times that of other industries. This increased efficiency in food production by America's farmers has blunted advances in food costs and given the United States a remarkable record of food price stability in contrast with much of the rest of the world.

You all are familiar with the series of government farm programs in the 1930's, 40's and 50's essentially built on what we would now call a high price support approach. They helped stabilize farm income -- but at the expense of a loss of foreign markets and mounting surplus stocks. The culmination of these programs was the bulging stocks of 1961 -- with grain stored everywhere, even on ships -- 85 million tons of feed grains ... 1.4 billion bushels of wheat. It was costing the Government over 1 million dollars a day just to store and handle these stocks -- literally a national scandal.

The 1961 voluntary feed grain program was the first of a series of voluntary adjustment programs to reduce the surpluses while increasing farmers' incomes and expanding our foreign markets by staying competitive. As I pointed out earlier, the Agriculture Act of 1965, building on the earlier experience with voluntary programs, marked a substantial shift in United States farm policy. It recognized that the supply imbalance in agriculture was not a temporary matter ... that agriculture was faced with an excess capacity problem that was likely to persist.

Instead of the high price support of earlier years, it sets price supports at near world market levels ... permitting the market to perform the jobs it can do best ... then using payments to adjust production and to strengthen farm income.

Coupled with the year-to-year voluntary production adjustment features was the longer-term Cropland Adjustment Program. Under it families who wished to divert a large part or all of their cropland for a 5 or 10-year period were offered rental payments for diverting specified crop acreages to conservation uses on a long-term basis.

Both the Government and farmers benefit from having the Cropland Adjustment Program as a supplement to the annual programs. Under it many older and part-time farmers are able to retire their entire crop acreage for a period of years. And since these farmers wish to retire from active crop cultivation, the cost per unit of potential production retired is less than under the annual adjustment programs.

The public also reaps a benefit from the Cropland Adjustment Program in that many farmers in exchange for a small additional payment under the public access provisions allow hunting and fishing on their land without charge to the user.

In addition to the land retired by farmers for 5 to 10 years under the Cropland Adjustment Program, the Act enables public entities -- counties, municipalities, and States -- to acquire eligible crop land and retire it permanently on similar terms. The State or local government receives the same Federal payment that a farmer would receive under a 10-year agreement.

This effort -- known as Greenspan -- has proved extremely popular with local communities. In 1966 and 1967, the Department entered into Greenspan agreements with 137 communities, on projects providing for outdoor recreation close to urban areas in which more than 6 million people live.

Operating together, the year-to-year voluntary production adjustment and the Cropland Adjustment Program constitute a coordinated flexible approach. Neither could be as effective in isolation.

Their effectiveness also has been increased by the purchase programs utilized to carry out our domestic and foreign food distribution programs. For example, our food distribution programs not only improve the diets of millions of needy families and school children, but they also permit us to help shore up meat and produce prices, which we do by buying this food when the market is weak as a result of overproduction.

This new design for farm programs was limited to a 4-year trial period. The experience to date testifies to the fact that it has enabled United States farm products to compete more effectively in world markets.

It also has permitted a reduction in the enormous surpluses of grains and cotton which had accumulated under the old price support system, while increasing farmers' incomes.

The time now has come to make the Food and Agriculture Act of 1965 permanent. Just as Labor has "permanent" legislation in the Wagner Act ... just as there is legislation establishing the Federal Trade Commission, the Federal Communications Commission, and the anti-trust laws ... just as banking and finance benefit from "permanent" legislation setting up the Federal Reserve Board ... just as the Nation's senior citizens have "permanent" legislation in the Social Security Act ... so, too, there now is need in agriculture for similar permanent legislation which deals realistically with agriculture's underlying economic conditions.

I hope that the legislation I am proposing today will be remembered as the basic charter for a stable agriculture, joining these other permanent Acts which serve other segments of our national economy so well.

All serious students of the farm problem recognize that American agriculture has excess production capacity which will continue for many years. American farmers today have the capacity to produce 10 to 12 percent more farm products than can be sold in commercial markets at current price levels. A part of this reserve capacity is being held out of production by the various adjustment programs and a part is being used to produce products for distribution outside commercial markets.

Some 48 million acres are diverted from crop production this year under the wheat, feed grains, cotton and cropland adjustment programs. These would increase output about 7 percent, if cropped. We also are distributing about 5 percent of our products through domestic food distribution programs at home and Public Law 480 programs abroad.

Many authoritative statistical studies have been made of the impact of farm income support and stabilization programs on net farm income. These studies indicate a drop in net farm income of one-fifth to two-fifths during the first 5 transition years if farm programs are ended. A study made by Iowa State University economists for the National Advisory Commission on Food and Fiber went even further and concluded that these low farm prices would persist at least for another 5 or 10 years.

We estimate that except for current adjustment programs, grain supplies would be so large that corn prices would soon fall to 70 to 75 cents and wheat to \$1.00 a bushel or lower. World grain prices, too, might decline sharply.

It is clearly in the public interest to foster the advance of farm technology. But farmers, like businessmen in nonfarm industries, require stable prices and incomes if they are to adopt new technology and earn more with increased efficiency.

There is no particular virtue in unstable prices, although some of the pleas for free markets would make it appear so. Efficiency is not fostered by erratic prices. Rather, sharp changes in output caused by unstable prices foster wasteful use of resources. Clearly, several million farmers operating under atomistic competition, and subject to unstable growing seasons, cannot stabilize supplies and prices like nonfarm industries do.

The programs carried on under the 1965 Act do, however, provide a basis by which farmers through voluntary action working together bring production in harmony with market requirements. The benefits are not limited to farmers. For the costs of unstable farm income and low farm prices extend far beyond the farming industry. In the old days when farm income dropped, farmers could postpone expenses and take a low return on their own labor and land. The horses lived off the feed produced on the land. There were few bills requiring cash to pay for machinery repairs, gas, oil and rubber tires.

Today, expenses for the repairs, fuel, tires, fertilizer, insecticides, herbicides, and hybrid seed take up to 80 percent of a farmer's cash receipts. He can't postpone buying all these items or he will have no income. And he can't postpone paying for them or his city creditors will liquidate him.

An unstable farm economy brought on by a removal of these programs operating under the Act of 1965 would create chaos for our family farms and our rural communities. Our agricultural progress -- the envy of the world -- would be brought to an abrupt halt.

The resulting vacuum might very well be filled by large conglomerate corporations -- not because they are more efficient, but because they could get the capital to survive widely fluctuating farm prices.

Government commodity farm programs are a thrifty investment for our Nation. Technical progress has been more rapid under these programs than in any previous period in our history.

Productive capacity continues to grow faster than demand and without some means of holding the excess capacity in reserve in most years farmers face sharply falling income and violently unstable prices. This year over 1.5 million farms with feed grain bases, over 460 thousand farms with cotton allotments and over 840 thousand farms with wheat allotments are voluntarily participating in production adjustment programs under the Agriculture Act of 1965.

If there were no programs of production restraints this year, USDA analysts estimate that total feed grain production would be over 40 million tons larger, cotton production nearly 4 million bales larger, and wheat production over 150 million bushels larger. Prices would be driven so low by this sharply larger output that the value of these three crops (including government payments) would be over \$5 billion less than current estimates. Production expenses would be higher as a result of cropping larger acreages and farmers' net income would shrink even more.

The Agriculture Act of 1965 provides a more flexible means for dealing with agriculture's excess capacity problems than any previous legislation. It is not perfect. We are still learning to operate it more skilfully and coordinate more efficiently with producers in our efforts to keep demand and supply in fair balance. But it is working

better each year. No one has proposed any better system. Although it does not expire until 1969, farmers need to be able to make plans in advance. The 1970 wheat program should be announced 13 months from now. Farmers will need the adjustment features of the 1965 law for many years.

The time has come for an Agriculture Act of 1968 which will join the many other permanent legislative acts which protect and stabilize the other sectors of our economy. I recommend that this be accomplished by extending the Food and Agriculture Act of 1965 with a minimum of changes.

I have brought with me today suggested legislative language for such an Act for your consideration. It has a number of provisions. A brief summary of these provisions follows:

DAIRY

The bill extends the Class I base plan for dairy, and puts it on a continuing basis. This authority has had only limited use so far but several areas are interested in it.

FEED GRAINS

The bill extends the voluntary feed grain program and puts it on a continuing basis.

It provides, as in the past, for price support through loans and payments to program participants who divert acreage from feed grain production to conservation uses, at between 65 and 90 percent of parity.

Its provisions include:

- (1) Programs for corn, grain sorghum, and also barley if designated by the Secretary; malting barley would be exempt from diversion requirements.

(2) To be eligible for price supports, feed grain producers must participate in the program to the minimum prescribed by the Secretary. In the past this has been a minimum diversion of 20 percent of their base acreage.

(3) Payments for diverting additional acreage could be made if determined by the Secretary.

In the Absence of Legislation

If legislation is not enacted, feed grain producers would -- after 1969 -- return to the program of the 1950's. Prices would be supported between 50 and 90 percent of parity, but at such level as would not result in increasing CCC stocks. This would mean a support of 75 to 80 cents per bushel for corn. There would be no production adjustment program.

Feed grain production would be far in excess of market requirements. Lack of an effective program for grains would cut livestock prices and incomes as well. In general, a 10 percent drop in feed prices results a bit later in a 1-1/2 percent rise in total livestock production -- which in turn produces a 5 to 6 percent fall in livestock prices.

WHEAT

The bill extends present wheat legislation and puts it on a continuing basis.

Its provisions include:

- (1) Authorization of price supports, acreage allotments and marketing certificates which stabilize farm prices and income and assure adequate supplies for domestic and foreign markets.
- (2) Price support for producers who comply with their acreage allotment, and devote to conservation uses the land diverted from wheat.
- (3) Certificate payments on the share of the crop used for domestic food, providing 100 percent of parity returns for wheat used for domestic food.
- (4) Price support for all wheat through loans at a level based on competitive world prices and the feeding value of wheat in relation to feed grains.
- (5) Diversion payments at the discretion of the Secretary if additional voluntary diversion below the level of the national allotment is needed to balance production with utilization.

Changes recommended:

- (1) Increased flexibility in setting loan rates.
- (2) Authorization to increase the cost of the certificates to processors by the amount of any increase in parity price.

In the Absence of Legislation

If legislation is not enacted, after 1969 wheat would return to a mandatory program. It would be necessary to proclaim marketing quotas and a vote on them for the 1970 crop year would be required by June of 1969 if farmers are to know what their program will be for 1970.

If quotas were voted down (as they were in the 1963 referendum), farmers complying with allotments would be eligible for loans at 50 percent of parity or around \$1.30 per bushel; there would be no certificate payment.

If approved, price support (loan plus certificate) would be around \$2 a bushel on the domestic food share of crop. The certificate would be financed entirely by processor payments.

COTTON

The bill continues the one-price cotton program first adopted by the Congress in 1964 and improved in 1965. It extends the present cotton legislation and puts it on a continuing basis.

Its provisions include:

- (1) Continuation of the 16 million acre minimum national allotment, and the principle of one-price cotton.
- (2) Price support payments on the domestic allotment.
- (3) Loans to cooperators at 90 percent of the estimated world price.
- (4) Acreage diversion payments if needed to balance supplies with market off-take.

Changes are recommended in the 1965 Act to:

- (1) Provide for a more realistic determination and allocation of the domestic allotment.
- (2) Retain the guaranteed support of 65 percent of parity on "permitted acreage" as provided by the Ellender Amendment, but limit its application to 87.5 percent of the minimum national allotment of 16,000,000 acres. This would keep faith with the legislative history of this provision but allow flexibility that may be needed in future years.
- (3) Liberalize the provisions applicable to the marketing of cotton grown on export market acreage.
- (4) Give the Secretary discretion to allow producers additional time for making lease and sale arrangements of allotted acreage.
- (5) Let producers participate in the diversion program to the maximum extent and release the remainder of their allotment.

In the Absence of Legislation

If legislation is not enacted, after 1969 cotton producers would return to the provisions of the 1958 Act. Marketing quotas would still have to be proclaimed. If approved, farmers complying with acreage allotments could obtain loans between 65 and 90 percent of parity. We would have to return to 2 price cotton if exports were to be maintained. No diversion or price support payments would be authorized. In case of rejection of quotas, price support loans would be 50 percent of parity.

Approval of quotas would raise domestic cotton market prices several cents a pound -- losing markets to synthetics, as well as shrinking exports and piling up surpluses.

CROPLAND ADJUSTMENT PROGRAM

The long-term cropland diversion authorized by the Cropland Adjustment Program is an important supplement to the annual adjustment programs. It costs less per unit of production diverted since it appeals to many older and part-time farmers who wish to retire from crop cultivation. It authorizes Greenspan programs whereby cropland may be converted to recreational uses for urban areas. It also makes additional lands available to the public for hunting and fishing.

The bill extends the Cropland Adjustment Program and puts it on a continuing basis, with the following changes:

- (a) It directs that preference be given to farmers who because of age, physical disability, etc., wish to reduce their farming activities; to the Greenspan Program; and to farmers who permit public access for hunting, fishing, etc.
- (b) Makes it clear that 40 percent crop value limitation on amount of annual adjustment payment does not apply to public access payment.
- (c) Permits the Secretary to terminate contracts if he determines such action to be in the national interest and gives public notice in ample time to permit producers a reasonable opportunity to make arrangements to return their land to agricultural production.
- (d) Deletes prohibition against compensation or expenses to members of Advisory Board on Wildlife.

In the Absence of Legislation

If legislation is not enacted, after 1969 all authority for the Cropland Adjustment Program lapses. As contracts on land diverted to conserving use under earlier programs terminate, the land holder cannot be offered an economic alternate to returning those acres to unneeded crop production.

WOOL

The bill extends the present wool legislation and puts it on a continuing basis. It provides authority for a program of incentive payments on wool and mohair at a minimum support level of 62 cents adjusted in accordance with a formula to reflect any increases in the parity index.

In the Absence of Legislation

Without this legislation, authority for incentive payments would expire. A price support program would be the only means of supporting wool prices. When wool prices were supported at above market levels in earlier years, U.S. production backed up in government-owned inventories and was replaced by foreign wool and synthetic fibers.

Since the United States uses more wool than it produces, world market wool prices and cost of synthetic fibers largely determine the price level for domestic wool. U.S. producers cannot compete with lower cost foreign producing areas. The payment method has proved a practical method of providing income assistance to producers while at the same time permitting domestic wool to compete effectively with both synthetic fibers and foreign wool.

TOBACCO:

Not included in the suggested legislative language that I am submitting today, is authority to continue beyond 1969, the lease and transfer of acreage allotments and poundage quotas for certain kinds of tobacco. Appropriate legislation to this end is contained in H. R. 13653 which has already been reported favorably by the Committee on Agriculture of the House of Representatives. I urge the Congress to pass this legislation which has such widespread support among our tobacco growers.

The basic legislation that Congress enacted in 1965 is sound. The need for making it permanent is obvious to any farmer who has been faced with the economic and biological uncertainties of year-to-year farming operations. I have suggested some improvements in the basic Act and I urge speedy enactment.

FOOD BANK

National security and agricultural stability require that permanent farm legislation provide for reserves of certain crops -- a National Food Bank. This isn't a new idea. The basic principles extend way back to the ever-normal granary of the 1930's. Its enactment is essential at this time.

Under our present legislation farmers bear too much of the cost of maintaining reserves at a safe level; this needs correcting. Your Subcommittee on Agricultural Production, Marketing and Stabilization of Prices now has before it a draft bill on food reserves, the provisions of which are supported by most farm organizations and by this Administration. The Under Secretary testified before this Subcommittee in detail in late January.

The draft bill has three critical ingredients:

-- A reserve owned by farmers under strengthened resale provisions in the price support program. This Administration has always believed that farmers should be able to retain their equity as long as possible, and that the inventory in the hands of the Commodity Credit Corporation should be reduced to a safe minimum. That is why we recently extended the resale privilege to warehouses;

-- Authority for the Secretary of Agriculture to buy additional reserves at market prices -- without waiting until prices drop to support levels;

-- Insulation of the Food Bank from the commercial market.

Protected by such reserves, the Secretary of Agriculture would be able to administer the commodity programs more aggressively to help keep supply and demand in fair balance. I urge early enactment of National Food Bank legislation.

Now Mr. Chairman and members of the Committee, I would like to turn my attention to S. 2973 and the subject of:

LEGISLATION TO HELP FARMER BARGAINING SUCCEED

Nearly a year ago I called for a national dialogue to examine and discuss this very important issue. At the same time in the USDA we began an intensive series of consultations with each of the national farm organizations and the representatives of a large number of individual commodities. We also have consulted extensively with economists, lawyers, individual farmers, and others -- all to the end of examining and solving the many questions basic to a new initiative as far-reaching as this one.

As a result there is now a bill before this Committee which incorporates alternative procedures designed to strengthen farmers' bargaining power. In a few moments I will present my own recommendations with respect to this bill. But first, let me share with you some of the conclusions that we have reached as a product of a year of intensive study and review of this question.

Why Farmer Bargaining Power?

Farmer income is under severe pressure from the basic changes which are occurring in the type, cost, and value of inputs used by farmers. Increased use of purchased input, and in some cases, new laws, have contributed to higher farm labor costs. Increases in the cost of farm machinery, spare parts and inputs, and rising taxes mean that many food products must cost more when they leave the farm as well as when they are sold in the supermarket. Farmers are entitled to and must have a pricing mechanism for farm products which responds to changing costs, just as industry is able to pass on increased costs.

Farmers are also increasingly in need of price stability. They now spend 80 percent of their market receipts for purchased production supplies, hired labor and interest on borrowed funds. All parts of the production process are being rapidly mechanized. Farmers require vastly increased amounts of operating capital. The traditional instability of agricultural prices makes it difficult, expensive, and risky to shift to modern, efficient, capital-intensive, commercial agriculture. Farmers want a pricing mechanism which gives greater price stability and enables more systematic financial planning.

Actual and expected prices have been the primary coordinating instruments in the agricultural production sector. Government programs coordinate the quantities produced of some storable products, but the bulk of farm production results from the individual decisions of million of producers in response to prices. This is generally a good coordinating system, but it sometimes does not guide the individual farmer adequately in producing a dependable supply of food products.

Farmers observe the price stability in markets where large firms are important. They note the organization, power, and stability of the large buyers or sellers with whom they deal. Often these outsiders integrate into farming and capture for themselves the benefit of improved organization and coordination. Farmers live in a disciplined world, but they have few means for disciplining themselves. They fear integration by firms outside of agriculture. They fear they are gradually losing control of their destiny. Farmers want a better method of coordinating their own productive capacity, thereby avoiding integration by outside corporations.

As the distribution system for farm-produced products becomes more organized, many specifications in addition to price become important. These nonprice terms of trade include product quality, handling methods within the marketing process, timing of delivery, length of contracts, and many other items. Nonprice terms of trade may affect farmers' income substantially as well as the effectiveness of the marketing system. Variations in nonprice terms of sale may cause inequities and impair the farmers' ability to compare the offers of alternative buyers. Farmers individually are typically unable to establish precise nonprice terms of sale in advance or standardize the nonprice terms between buyers. Farmers want some method whereby they can collectively represent their needs concerning nonprice terms of sale.

Farmers find their destiny being shaped by forces over which they have little or no control. Both government programs and private business initiative act upon farming with considerable power and organization. Farmers are increasingly frustrated at the lack of an opportunity collectively to represent themselves and their interests with a similar degree of organization and power. Farmers see group action, as representing special interests, growing in frequency and effectiveness. Farmers want the opportunity to represent their interests with disciplined group action.

Bargaining Objectives

These then are the bargaining objectives that we see identified by farmers:

First, enhancement of prices over time. For this objective to be realized, some kind of powers to influence market supply have to be authorized.

Second, increased price stability that would follow more effective organization of farmers' marketing activities.

Third, improved coordination of marketing. This includes the organization of farm production and sale to fit more exactly the requirements of markets, as well as increased farmer participation in the subsequent marketing of their products.

Fourth, equitable, standardized trade practices in the transfer of commodities from farmer to buyer. This includes more comprehensive quality standards, terms of delivery, length of contracts, and several other nonprice matters. Often such terms are of real concern to

producers; regularizing the terms would improve the efficiency of the market, make some contribution to higher producer incomes, and remove a source of irritation. This potential achievement is significant.

Finally, farmers desire more of a voice in their own affairs. They want to take part in marketing their products, as well as producing them.

Legislative Recommendations

Our studies have led to the very clear conclusion that the capacity for producers of a particular commodity to set up a marketwide supply program for all producers of that commodity is crucial to the success of bargaining. Producers must also have the opportunity to bargain for marketwide minimum prices and other nonprice terms of trade.

To accomplish this twofold objective, I urge that this Committee act favorably on major portions of S. 2973.

Title II of S. 2973 would amend the Agricultural Marketing Agreement Act to make available further tools to farmers for improving their bargaining position.

First, any agricultural commodity or product (except canned or frozen products), not now covered by the Marketing Agreement Act, would be made eligible for a marketing order if the Secretary, after a special preliminary referendum of affected producers, finds that a majority of those voting favor making that commodity or product eligible for such an order.

Second, the proposed amendments to the Agricultural Marketing Agreement Act would provide authority to include in marketing orders provisions for establishing by collective bargaining, including provisions for the designation by election of committees of producer representatives to bargain with handlers or groups of handlers, minimum prices and other minimum terms and conditions under which handlers may acquire a regulated commodity or product thereof (other than milk and its products) from producers or associations of producers. The minimum prices and other terms prior to becoming effective would have to be agreed to by the handlers of 50 percent of the commodity and would be subject to approval by the Secretary.

Provision would be made for special pricing standards to be the statutory objective for such price bargaining purposes if the Secretary finds that the parity standard for a regulated commodity is not adequate. The alternative pricing standard would take into account factors such as production costs, prices to consumers, and other factors affecting supply and demand for the commodity, including any limitations on marketings that may otherwise be included in the marketing order.

In addition, these amendments authorize the pooling of proceeds of sale of a commodity other than milk when minimum prices are established on a use-classification basis. Also, if the Secretary found that pooling and producer marketing allotments were necessary, in conjunction with pricing provisions, to provide equitable distribution of returns and market opportunity among producers, he could require the use of such combined authority.

Third, these amendments authorize the establishment of minimum pricing for milk through a collective bargaining process.

Fourth, the amendments authorize the establishment of producer marketing allotments for any commodity including milk on the basis of (A) the amount produced or marketed by such producer or from the farm on which he is a producer in a representative prior period, subject to adjustment for abnormal conditions and other factors, or (B) the current quantities available for marketing by such producers, or (C) any combination of these that will result in the total allotment being apportioned equitably among producers. A minimum allotment could be fixed for producers whose production does not exceed that amount. An administrative procedure, with subsequent court review, would be established for reviewing the lawfulness of a producer's allotment. This would be similar to the review procedure now in the 1937 Act for handlers.

Fifth, a provision is added to authorize the establishment of a producer advisory committee for any commodity; this producer committee could provide advice on starting proceedings to promulgate a new order, and could formulate specific hearing proposals.

Sixth, the amendments provide that orders containing price bargaining or producer allotment provisions would impose administrative assessments pro rata on producers, payable through handlers to the agency administering the order. Handlers would have the responsibility of collection from producers.

Finally, Title II of S. 2973 makes it clear that the new authorities it provides shall not supersede the provisions of other statutes relating to marketing quotas, acreage allotments or limitations, or price support, and that no action taken or any provision of an order issued under this new Act shall be inconsistent with such other statutes or actions taken by the Secretary thereunder.

These additional tools provided under Title II will be exercised under the long-established and proven marketing orders program, where action is not initiated by the Government but rather by the concerned producers. The producers formulate the program they want, justify it at public hearings, must approve by a vote of two-thirds of their number, and then administer the program through their own representatives -- resulting in a truly democratic producer program. The legislation is strictly permissive -- to be used if producers want it, to be unused if they don't.

This National Agricultural Bargaining Act of 1968 puts into legislative language the conclusions that many of us have reached as to how to make "bargaining power work" for farmers.

Although purely voluntary organization of producers is by far the most acceptable means of operating a bargaining program, in practice there are serious limitations to such an approach. It is too easy for some producers to stay outside the association and receive price benefits at no cost while members bear all the costs and receive only part of the benefits. Moreover, any increase in price or betterment of nonprice terms to the voluntary group gained through bargaining will be quickly lost because of undercutters and free riders who are free to depart from the organization's group efforts. Undisciplined production increases stimulated by a bargained-for higher price may prove fatal to the holding of that price.

This has been the history of nearly every voluntary bargaining association we have examined. Persons more optimistic about voluntary bargaining point out that voluntary associations or cooperatives are now exercising bargaining power. But in practically all such cases, government marketing orders create marketwide controls that are extremely important to the success of the bargaining.

Some sort of government authority to enforce marketwide compliance with respect to supply and terms of trade, by all producers and buyers, is essential to effective sustained farmer bargaining power.

Such authority would be granted to self-help producer groups through the enabling legislation that I am recommending here today.

Producers of geographically-limited commodities can (and many do) prosper under state statutes. But with respect to the many commodities produced over a multistate area the requirement of uniform coverage must be obtained through a Federal statute. If a substantial majority of the producers of a commodity want to enhance their bargaining strength and marketing ability, it is clear that they must have the power to control the supply of that commodity. Under the principle of farmer-control that is so crucial to "bargaining power," this is entirely up to the producers. The Government will not impose it upon them.

"Supply control" does not necessarily mean production or acreage control. A bargaining association or cooperative, by varying minimum quality standards, diversion of production into secondary markets, storage, or other marketing devices, can and does affect the quantity going to the primary market. These marketing tools would be available under the proposed Title II of S. 2973 in any combination, to any commodity group that wants to use them.

We have examined both of the bargaining titles of S. 2973. Both approaches provide the two basic tools of bargaining: provision for group bargaining over the various terms of trade, including price; and the authority for producers to set up and carry out a marketwide supply program.

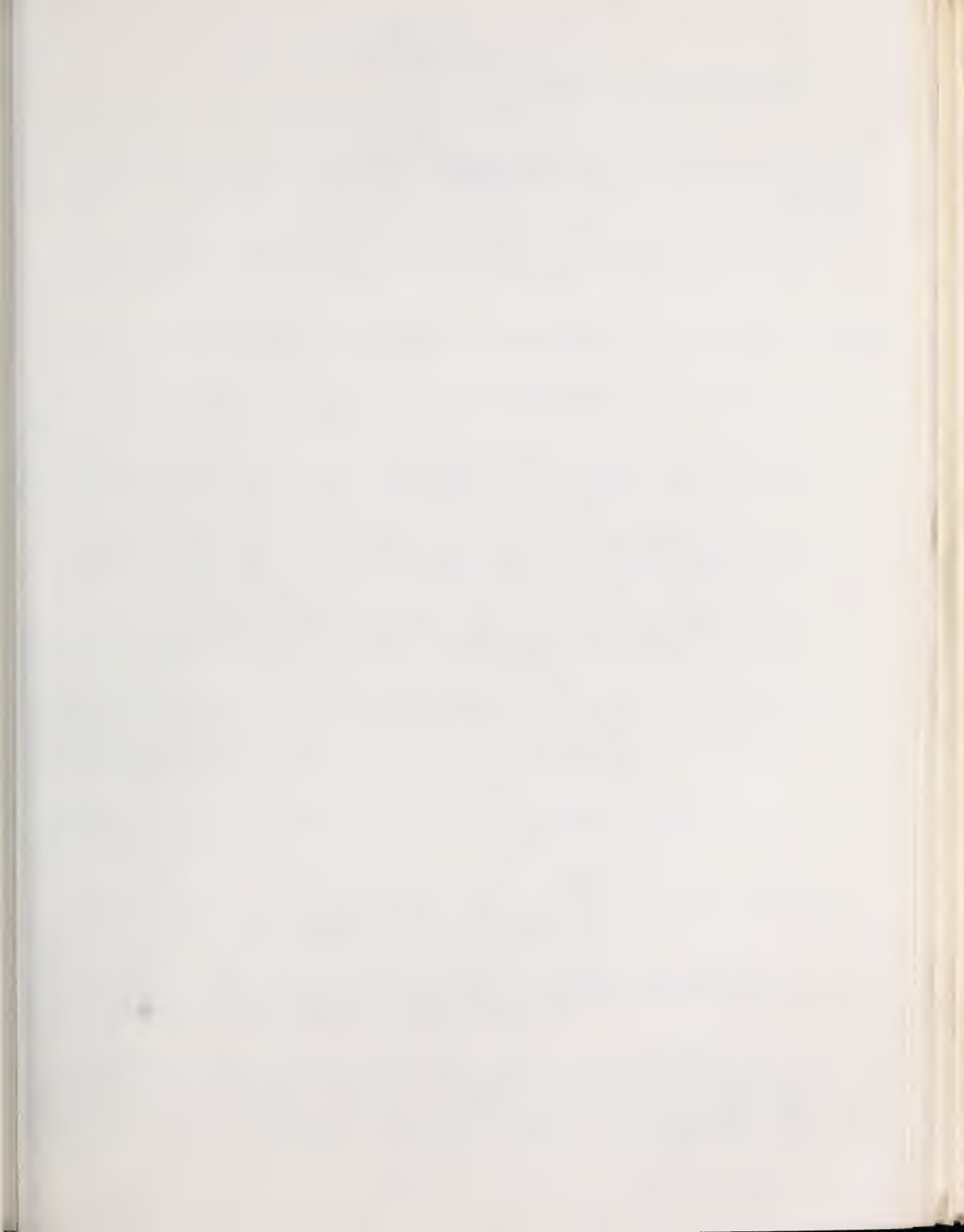
However, Title I is new and, based on the hearing record, is clearly more controversial. Title II, on the other hand, would expand an already tested producer-oriented statute which has the benefit of thirty years of court decisions and administrative precedents to guide its operation. It is of crucial importance that Congress act this year on farmer bargaining power. Time is of the essence. Therefore, in the interest of swift action, I recommend that this Committee act favorably on Title II. Looking to the future, it may well be that experience in developing farmer bargaining power will call for some of the features of Title I.

One point which I understand the Committee has been considering is to what commodities would this proposed bargaining legislation apply. Specifically, would it apply to the basic program commodities -- wheat, rice, feed grains, cotton, peanuts, and tobacco? As I have said many times, I see no alternative, if the problem of excess capacity with respect to these great field crops is to be handled at all, to dealing with these crops through current farm programs. Any bargaining program would be supplemental to existing government programs and not an alternative to them.

The legislation which I am recommending contains a provision to the effect that it shall not be allowed to operate "inconsistently" with respect to other ongoing commodity programs. There will, of course, be potential problems of accommodating this bargaining approach to already existing statutes relating to marketing quotas, acreage allotments or limitations, or price support.

Yet any enabling legislation which is primarily of a self-help nature as I am recommending today should not exclude any particular commodity group from taking advantage of its provisions. I doubt if producers of the national program commodities -- wheat, feed grains, cotton, etc. -- will seek to organize and operate under the proposed Act at any time in the near future. But some day they might well want to develop such a program. They will have the opportunity to do so under provisions of S. 2973.

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UNITED STATES DEPARTMENT OF AGRICULTURE

Augusta, Ga., April 30, 1968

Secretary Freeman Urges Leap Into Future:

Secretary of Agriculture Orville L. Freeman today said it was time to discard old concepts of community development and planning and take a leap into the future.

This, he said, is the only way the Nation can meet the "overriding challenge" of our time -- that of remaking the face of America into a livable environment for all its people, the 200 million of today and the 100 million more expected by the end of this century.

Mr. Freeman spoke at the final session of the convention of the Association of County Commissioners of Georgia in Augusta.

In prepared remarks, the Secretary said the Nation has the resources to do what it will to create a good environment.

"There is no reason why we can't create a national plan for the desirable geographic distribution of economic opportunity -- opportunity that will give Americans the chance for a choice of where they will live," he said.

He cited the new cities of Columbia, Maryland, and Reston, Virginia, and then warned, however, that "it will take more than a few builders with vision to prepare for 100 million people in the time that is left in this century.

"It will take dynamic and aggressive private enterprise, and it will take government -- Federal, State and local -- and the man on the street -- all of them taking a leap in imagination to meet the demands of this era.

"Let us, for example, discard the old concept of distance as the criterion for housing in relation to jobs and substitute time, and let's rethink our transportation network not only in terms of time and technology, but in terms of the nationwide people-space equation of 30 years from now.

"While the Department of Housing and Urban Development is working to help our troubled cities today, let's order the Department of Agriculture to take a new look at this vast land.

"Let's have it chart the best locations for new cities, new towns, and the most likely way of organizing multi-county districts to best enable them to help ease current pressures and forestall those of the future."

The Secretary called for minimum planning and development standards and State and Federal incentives for all communities to encourage what he called "proper participation" in remaking the face of the land.

"And then," he said, "let's allocate the massive capital investments of government -- State, Federal and local -- our outlays for highways, public buildings, dams, watershed projects, airports, bridges -- within the context of the regional plan and national picture, and under the standards of development that we must have to make that picture worth looking at 25 years from now."

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This is the kind of thinking, Mr. Freeman said, that will shake off the "road block mentality" that prevails in much of society today, and will lead to the building of the new cities, new towns and new districts that must be created to meet the people-space challenge.

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USDA 1377-68

U.S. Department of Agriculture
Office of the Secretary

To one who has been preaching rural-urban balance and regional planning as crucial to this balance, coming to Georgia is like coming home.

I have often cited your state as a leader in the concept of multi-county planning for the wise use of resources for people, so it was exhilarating for me to visit Georgia last September and to see and hear from officials of the Oconee Area Planning and Development Commission exactly how the commissions work and what they do.

And it was a thrill, also, on that same trip to tour Louisville and to see how the resources of the Department of Housing and Urban Development and my own Department of Agriculture were being used by local leaders to clear away blight and make available decent, clean housing for low income people.

The conservation measures being taken at the clay mine at Deerstep, and that same community's FHA-financed water system were further evidence that Georgians not only are planning, but they also are acting to enhance the quality of living in their own areas, to develop to the fullest their ability to retain their population and to attract others.

Address by Secretary of Agriculture Orville L. Freeman at the 54th Annual Convention of the Association County Commissioners of Georgia in the Town House Hotel, Augusta, Georgia, at 11 a.m. April 30, 1968.

I am only sorry that my scheule didn't permit me to travel farther and to see more of the dramatic action being taken in Georgia to create opportunity in Town and Country, action to halt the drift of people to the big cities -- for the good of the cities as well as for the good of Town and Country.

But I saw enough to make me feel that as an apostle for rural-urban balance I stand on friendly ground in Georgia.

As you probably know, the Georgia tour was one of several I have made in more than a dozen states the past year, to see what Town and Country U.S.A. is doing in regard to rural-urban balance.

I can report to you that there is momentum there, and that it is gaining.

Town and Country multi-county systems similar to yours are emerging in the states of Missouri, Iowa and Arkansas and in such disparate areas as central Tennessee, central Colorado, upper New England, eastern Mississippi, and northern Michigan.

Dynamic local citizens are using the basic tools provided by a concerned Administration and a sympathetic Congress to help provide their young people -- and their oldsters, too -- with a chance for a choice between the countryside and the city.

(more)

You have heard of the statistician who stood with one foot on a cake of ice and the other on a hot stove and on the average he felt fine, but I think two figures from a blizzard of statistics show without doubt that Town and Country is making some headway.

First, the migration from country to city has slowed by two-thirds since the 1950s; and, second, the number of new jobs in Town and Country has been growing by 4 percent, double the growth rate of the 1950s.

This is good. This is progress. But I can tell you that, whatever might have been done, measured against the goal it is the barest start.

That is what I want to talk with you about for a few minutes today: The great leap, the tremendous leap that this Nation -- you and I -- must make into the future if we are to meet the overriding challenge of our time.

The crux of the challenge is this: To provide the chance for the 200 million of us now here to lead decent, productive lives at the same time as we are preparing this land -- this society -- for 100 million more Americans 25 or 30 years from now.

(more)

You have watched television and you have read the newspapers, so you are aware of the dimensions of the challenge involved in meeting just the problems of today, let alone those of the future.

The fires in our cities light up the agony of a whole people. They illuminate for the rest of us the misery in which others of us live.

Yet I am convinced that the desperation to which so many slum dwellers have been driven is more than anger at prejudice and poverty, and more than the frustration of new expectations yet unsatisfied.

Even more, I believe this desperation is the ugly fruit of an environment in which the greatest crowding of people is combined with the greatest destruction of the sense of community.

Many ghetto dwellers came from rural areas, or their parents came from rural areas. Back on the farm they also were poor, and they also were without power, but they did experience a sense of community and a solidarity of family that in too many cases the faceless city has shattered.

(more)

The crisis of our cities, perhaps the most serious ever to face us as a people, has its roots in our failure to plan for change, our failure to develop public and private institutions and directions that would shape and control the unprecedented technological and productive forces that have been unleashed in the U.S. since the end of World War II.

In this period, our population has grown by 55 million -- 37 percent.

Our gross national product went from \$280 billion to more than \$800 billion.

Nearly 3 million farms disappeared in the technological revolution that swept -- and is still sweeping -- through agriculture.

More than 20 million people left the countryside for the city.

A third of our total population left the city and settled in suburbia.

All of this -- and more -- occurred without any real national recognition of what it meant:

(more)

-- In terms of the stresses and strains put on our homes, our governments, our schools, our churches, our neighborhoods.

-- In terms of dislocation of whole peoples.

-- In terms of pressures on our society as a whole.

Most of you in a planning-oriented state such as Georgia know that more than 140 million Americans -- seven out of every 10 now are crowded on just 2 percent of the land.

You are aware that only about 57 million people -- less than 3 out of 10 -- live on 98 percent of the land.

You saw the effect on our cities as this insane people-space equation exploded on your television screens last summer, and again this spring.

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Most of you have seen its other side in the creeping decay in the countryside, the quiet erosion of human resources in many of our small towns, farms and small cities.

You have seen the pell-mell spread of suburbia, paving over the countryside, choking the inner city.

These conditions are all related. If we permit our small towns and rural areas to grow to weeds, if by failure to act we force people from Town and Country, we feed the fires that are consuming the inner cities and the erosion that blights so many of our suburban neighborhoods.

If present trends continue for the next 25 years, 100 million additional Americans will be piled on top of the 140 million already in our cities and suburbs.

Your action in Georgia shows your concern over these conditions, and it is indicative of the growing momentum across the country for coordinated, regional action to meet these problems.

But I am here to tell you that area concern and regional momentum are not enough. We must harness this concern and this momentum within a national framework, or we will repeat the mistakes of the past.

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As I told a group in Minnesota last week: We have shown that we can build a life of quantity in this Nation -- a society of abundance that is choking us with 125 million tons of air pollutants a year and threatens to bury us under 1 billion pounds of garbage.

It is about time for us to start showing that we can also build a life of quality, a life that offers opportunity and something of grace for all, a life based on human dignity.

I believe we can build this life, if we start now -- I believe that we can achieve a proper balance of land and people, and that we can do it by the year 2000.

The first imperative is to get rid of what one builder has called our "road block mentality" -- the idea that, in the end, nothing can be done, which he called "the most devastating aspect of the American mind."

The builder is James W. Rouse, who borrowed \$50 million, cut through a jungle of zoning and other laws and started the new city of Columbia, Maryland.

"A strong enough plan will generate its own power," Rouse said, and then he added this: "It is more profitable to build a good environment than a bad one. The only thing is to start to do it, and to believe it can be done."

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We have in this Nation the resources to do what we will. No one questions that we are going to the moon, 240,000 miles in space. Why, then, question whether we can build a decent environment here on the earth that lies all around us?

Our builders literally move mountains; our designers can put structures where none could stand before. We can reroute rivers, reclaim land, prevent floods, link by sight and sound any part of the nation.

Our scientists can tell us of the psychotic effects of overcrowding, warn us that our rivers are dangerously polluted, and point out that auto exhaust is killing trees along city streets in the Nation's Capital.

There is virtually nothing we can't do, technically and scientifically, to build a good environment instead of a bad.

It is long past time that we grasp this fact and use these resources to seize the future, or the future will seize us sooner than we think -- and by the throat.

There is no reason why we can't create a national plan for the desirable geographic distribution of economic opportunity -- opportunity that will give Americans the chance for a choice of where they will live.

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Private enterprise has shown, in Columbia, Maryland, and Reston, Virginia, that we can create in the countryside new communities that offer their own source of employment, esthetic satisfaction, and social and recreational opportunities.

But it will take more than a few builders with vision to prepare for 100 million more people in the time that is left in this century.

It will take dynamic and aggressive private enterprise, and it will take government -- federal, state and local -- and the man on the street -- all of them taking a leap in imagination to meet the demands of this era.

Let us, for example, discard the old concept of distance as the criterion for housing in relation to jobs and substitute time, and let's rethink our transportation network not only in terms of time and technology, but in terms of the nationwide people-space equation of 30 years from now.

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While HUD is working to help our troubled cities today, let's order the Department of Agriculture to take a new look at this vast land. Let's have it chart the best locations for new cities, new towns, and for the most likely way of organizing multi-county districts to best enable them to help ease current pressures and forestall those of the future.

At the same time, let's set minimum planning and development standards and state and federal incentives for local communities everywhere to encourage participation -- proper participation -- in remaking the face of the land.

And then let's allocate the massive capital investments of government -- State, Federal and local -- our outlays for highways, public buildings, dams, watershed projects, airports, bridges -- within the context of the regional plan and national picture, and under the standards of development that we must have to make that picture worth looking at 25 years from now.

This is the kind of thinking that all of us should be doing to shake off that "road block mentality" that has brought us to the situation of today.

(more)

If we can each of us make that leap of mind from our own hillside, our own corner, to the national vista, we can easily begin to think of building new cities, 25 or 50 of them -- separated from megalopolis and from other new cities by 100 or more miles of green space and farm land, but no more than an hour's ride by high-speed transit.

And we can think more clearly of multi-jurisdictional districts such as those embodied in the type of planning being done in Georgia, districts not only linked into viable communities by geography, economy and common interests, but linked to new cities and revitalized older cities and towns by transit systems and highways that have opportunity at both ends.

I am more hopeful than ever that the kind of planning being done in Georgia will be done before too long in all of our states, and I am hopeful that the kind of thinking that we have been discussing here today will be the thinking of more and more Americans.

I say this because I have become aware of a new resource in our effort for rural-urban balance, and that is the growing understanding of this new concept of living among opinion makers as well as by the man on the street.

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There is increasing interest and wider use of some of the tools that have been developed to help realize this concept.

What I would call revolutionary changes have occurred in my own Department of Agriculture since 1960 to create some of these tools.

You are familiar with the system of Technical Action Panels in every rural county to tie together all of the Department's services and open a more direct route to Federal services for local communities.

The Department is now the leading source of funds to finance housing and community water and sewer systems in rural areas -- 27 sewer and water systems in Georgia alone last year, and 1,685 rural homes built or repaired.

In addition, we have Resource Conservation and Development and Rural Renewal programs, we run Job Corps centers, make small business and cooperative loans, give planning advice, make soils tests, plant trees -- all in an effort to use the resources of the Department to help local people build a better Town and Country America.

Two important new tools for this task lie in legislation before the Congress, legislation which Georgia leadership helped mold. I am talking about amendments to the 701 planning legislation and about the new communities section of the same bill.

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The 701 amendments will be a major step in encouraging the kind of cooperation between counties and municipalities and states that will strengthen the role of counties and states in creating a better community for all.

The new communities section will permit the Federal government to guarantee the large amounts of capital required for the planning and construction of "rural" new cities and towns.

I urge you, as leaders in your communities and your local governments, to help us get these new tools, and then I urge you to use your influence to insure that the resources of your community, your state and your nation are allocated to build a good environment, not a bad one.

The capital sums required to change the face of America for the better will be huge, but the cost will not be much more than what we are spending now.

It will not be so much a matter of finding added capital, as of redirecting the combined private and public outlays that now are going for haphazard, wasteful development that compounds old problems and creates new ones, of redirecting it to planned, purposeful outlays that fit the national goal of choice for all.

(more)

Just one example: The design of the new city of Columbia has eliminated the need for the school bus, not only freeing the children from the daily bus ride, but saving \$1 million in transportation costs by 1975. This is but one tiny example of the savings that could be made if we plan together for the future with common sense.

We have the resources, the know-how and the institutions to build at all levels an America of 300 million people in harmony with each other, and with their environment.

It will require imagination, and it will require determination, energy and courage to break old habits, to chart a new national course.

Are we equal to the challenge? Do we have the stuff to make the right decisions -- the decisions that commit our children and our grandchildren of the 21st Century?

I, for one, say we do. Let's get with it.

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When I last spoke at Gustavus Adolphus College, it was at an event somewhat similar to this -- The 1966 Nobel Conference on the Control of the Environment.

And my topic then -- two years ago last January -- might well have been the one so thoughtfully suggested for me here by the symposium chairman, Mr. Esbjornson -- "The Cultivation of a New Life Style, Rurbanity."

My theme at this meeting was one that I call rural-urban balance -- the purposeful, proper use of space for people. And that, I believe, is what your term Rurbanity is all about.

It is the wise use of the abundant land, the abundant resources of this great nation for the conservation of its most precious single resource, the human being.

I put it this way on my visit here two years ago: "We cannot, in a free society, do with people what we will. We can, however, do with and for one another what we have the will to do if what we seek is a purposeful objective with general welfare value."

Since then, I have made dozens of speeches on the theme that rural America -- Town and Country U.S.A. -- must act to halt the drift of its people to the cities, for the good of the cities as well as for the good of Town and Country.

Address by Secretary of Agriculture Orville L. Freeman at the Symposium on "Target 2000 A.D. -- Planning in the River Bend Area" at Gustavus Adolphus College, St. Peter, Minnesota, at 7 p.m., April 25, 1968.

This effort has been joined by community leaders like yourselves, by dedicated local citizens in hundreds of communities from the Minnesota River Bend Area to Milledgeville, Georgia, to Hearne, Texas, to Centerville, Iowa, to Bend, Oregon.

These people are striving toward the goal articulated so well for this symposium: "To create an area consciousness, a climate of thinking favorable to future planning and the incentive and opportunity for discussion across county lines"

The objective of this area consciousness and this future planning is to enhance the quality of living in the area, to develop to the fullest its ability to retain its population and to attract others.

Some of these communities are well on the road to regional development. Others are just beginning. Town and Country multi-county systems are emerging in such disparate areas as central Tennessee, central Colorado, upper New England, northern Arkansas, eastern Mississippi, northern Michigan and many other sections.

A concerned Administration and sympathetic Congress have provided some basic tools, many within the Department of Agriculture -- tools that are being used by dynamic local citizens to help provide their young people -- and their oldsters, too -- with a chance for a choice between countryside and city.

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I traveled in more than a dozen states last summer and fall, and to New England this winter just past, to see what Town and Country is doing in this regard. I can report to you that there is momentum there, and that it is gaining.

Two figures from a multitude of statistics testify to that fact. The migration from country to city has slowed by two-thirds since the 1950s, and the number of new jobs in the countryside has been growing by 4 percent, double the growth rate of the 1950s.

This is good. This is progress.

But I can also tell you that, measured against the goal, it is the barest start.

The crux of the challenge is this: To provide the chance for the 200 million of us now here to lead decent, productive lives at the same time that we are preparing this land -- this society -- for 100 million more 25 or 30 years from now.

If you have watched television or read the newspapers, you are aware of the dimensions of the challenge involved in meeting just the problems of today, let alone those of the future.

In the short period of two years, barely a moment in a nation's history, America has been wracked by an accelerating crisis, a crisis whose end is not yet in view.

(more)

The discussions we had here two years ago about the deterioration of the nation's environment -- and the resulting stresses and strains -- now have been proved the saddest kind of prophecy as city after city across the nation is shaken by riot and fire.

I do not question for one moment that the frustrations and humiliations of Negro Americans denied their rightful place in American society have eroded hope and destroyed patience. The fires in our cities do light up the agony of a whole people. They are a means to illuminate for the rest of us the misery in which others of us live.

Yet I am convinced that the desperation to which so many slum dwellers have been driven is more than anger at prejudice and poverty, and new expectations yet unsatisfied. Even more, I believe this desperation is the ugly fruit of an environment in which the maximum density of people is combined with the maximum destruction of community.

The inner city has become an engine for shattering the human personality. Here families and individuals not only are crowded together but, even more important, they do not have the tools the rest of us have to control their environment and their destinies. They feel isolated, exploited and desperately insecure.

(more)

USDA 1326-68

Many of the people in the ghettos came from rural areas, or are only one generation away from such areas. Back on the farm they were poor and without power. Yet they did experience a sense of community and a solidarity of family relations that in too many cases the anonymous city has shattered.

The crisis of the cities, perhaps the most serious ever to face us as a people, has its roots in our failure to plan for change, our failure to develop public and private institutions and initiatives that would shape and control the tremendous technological and productive forces that have been unleashed in the U.S. since the end of World War II for good not harm.

In this period, our population has grown 55 million -- 37 percent.

Our gross national product went from \$280 billion to more than \$800 billion.

Nearly 3 million farms disappeared as a result of the technological revolution in agriculture. A third of our total population left the city and settled in suburbia.

All of this -- and more -- took place without any real national recognition of what it all meant:

in terms of the stresses and strains put on our institutions,

in terms of dislocation of whole peoples,

in terms of pressures on our society as a whole.

(more)

USDA 1326-68

More than 140 million Americans -- seven out of every 10 -- now are crowded on just 2 percent of the land.

On the other hand, only about 57 million people -- less than 3 out of 10 -- live on 98 percent of the land.

You saw the effect on our cities as this insane people-space equation exploded on your television screens last summer, and again this spring.

Some of you have seen its other side in the creeping decay in the countryside, the quiet erosion of human resources in many of our small towns, farms, and small cities.

You have seen the pell-mell spread of suburbia, paving over the countryside, choking the inner city.

These are not separate phenomena. If we permit our small towns and rural areas to deteriorate, if by inaction we force people from Town and Country, we feed the fires that are consuming the inner cities and the erosion that blights so many of our suburban neighborhoods.

If present trends continue for the next 25 years, 100 million additional Americans will be piled on top of the 140 million already in our cities and suburbs.

Your presence at this symposium shows your concern over these conditions, and it testifies to the growing momentum across the country for area action to meet these problems.

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But I am here to tell you that area concern and regional momentum alone are not enough. Unless we harness this concern and this momentum within a national framework, we will repeat the mistakes of the past -- mistakes that have brought us to the point where megalopolis is choking on people standing in line, sitting in traffic and waiting for elevators, while Town and Country is losing the very base for its commerce.

We have shown that we can build a life of quantity in this nation, a society of abundance that threatens to suffocate us in 125 million tons of air pollutants a year and bury us under 1 billion pounds of garbage.

It is long past time for us to start showing we can also build a life of quality, a life that offers opportunity and something of grace for all, where human dignity, not expediency, is the touchstone.

I firmly believe that we can do this if we start now -- I believe that we can achieve a proper balance of land and people, and that we can do it by the year 2000.

We can do it if we shake off what one builder called our "road block mentality" -- the thought that, really, nothing will be done, which he called "the most devastating aspect of the American mind."

(more)

That builder is James W. Rouse. His philosophy is to think in terms of maximums, not minimums, and he borrowed \$50 million, cut through a jungle of zoning and other laws and started the new city of Columbia, Maryland.

"A strong enough plan will generate its own power," Rouse said. "It is more profitable to build a good environment than a bad one. The only thing is to start to do it, and to believe it can be done."

To me it is ridiculous that here is a nation well on its way to the moon which cannot yet build a decent environment for the people who live on its share of the surface of the earth.

We have the resources to do what we will.

Our builders literally move mountains; our designers can put structures where none could stand before.

We can reroute rivers, reclaim land, prevent floods, link by sight and sound any part of the nation.

Our scientists can tell us of the psychotic effects of overcrowding, warn us that our rivers are dangerously polluted, and point out that auto exhaust is killing trees along city streets in the Nation's Capital.

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There is virtually nothing we can't do, technically and scientifically, to build a good environment instead of a bad.

Secretary General U Thant of the United Nations put it this way: "The truth, the central stupendous truth about developed countries today is that they can have -- in anything but the shortest run -- the kind and scale of resources they decide to have ... It is no longer resources that limit decisions. It is the decision that makes the resources. This is the fundamental revolutionary change -- perhaps the most revolutionary mankind has ever known."

It is time -- past time -- that we respond to the demands of the era and create a national plan to coordinate a total national effort -- an effort using the combined resources of government and of business and industry, and using the creative energy and the will of a frontier heritage to remake the face of our land, and thereby its heart.

Why can't we create in the countryside new communities that offer their own source of employment, esthetic satisfaction, and social and recreational opportunities?

We can. We already are -- Columbia, Maryland, is an excellent example. So is Reston, Virginia. Jonathan, Minnesota, is on the way.

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USDA 1326-68

But why stop there when we have 100 million people to prepare for in the rest of this century? Let us take a new look at this vast land.

Let's discard the old concept of distance as the criterion for housing in relation to jobs and substitute time, and let's rethink our transportation network in terms of time and technology.

Then we can think of building 25 to 50 new cities -- separated from megalopolis and from other new cities by 100 or more miles of green space and farm land, but no more than an hour's ride by high-speed transit.

England has built more than 20 new cities, and not one has failed. Their only complaint has been that in the beginning, they failed to think big enough. They are now planning larger cities, in excess of 250,000 population.

At the same time as we plan for new cities, let us plan for growth centers -- Town and Country areas such as River Bend, linked into viable communities by geography, economy and common interests rather than by city limits or county lines.

Let me say here, that I am not talking about a blueprint for a "superstate" where government decrees a new city here, a growth center there, 25 farms in Township A and 22 in Township B.

We are talking about developing communities molded by planner and inhabitants so that the growth fits the real needs of people.

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They would start with and follow a comprehensive plan, designed around these needs and amended when reasons demand it.

They themselves would develop the mechanism for both planning and the implementation of the plans.

If you have the will, leaders like yourselves can do this. You can sit down and plan rationally for a future town and country community in which several counties with their towns and service centers, their farms and villages, can enter into arrangements and share services for the benefit of all.

You have the resources to begin now, and not the least of these is the growing understanding of this new concept of rural living among opinion makers as well as the man in the street.

But the practical tools that I mentioned are available, also.

The breakthrough toward these tools came very nearly at the beginning of the Kennedy-Johnson Administrations. My purpose here is not to recite all the programs and initiatives since then, but let me say that I do not believe the nation's rural leaders fully realize the revolutionary changes that have occurred in the Department of Agriculture and what these can mean to communities such as yours.

In the last eight years in the Department we have:

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-- Established a system of Technical Action Panels in every rural county to tie together all of the Department's services and open a more direct route to Federal services for local communities.

-- Redirected credit programs in the Department which make us now the leading source of funds for housing, recreation, and community water and sewer systems in rural areas.

-- Launched new programs, such as Resource Conservation and Development and Rural Renewal, that will service and support area-wide planning and development.

-- Assumed responsibility for carrying out War on Poverty programs in rural America, such as the Job Corps, small business and cooperative loans, and job creation in special areas.

-- Taken the lead with state extension services and planning agencies and HUD to promote the exciting concept, which you are discussing here, of organized planning and development among groups of rural counties on a regional basis.

-- Made use of the considerable influence of the Department to stir actions that will help the people in rural America build a new town-and-country society.

I met with a group of industrial leaders from across the Nation last September, and I was frankly amazed at their interest in the countryside.

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3M Company, for example, has been placing plants in small towns for about 20 years, with results described by an official as "most satisfactory."

IBM Corporation in the preceding five years had located none of its new plants or its laboratories in a metropolitan area.

Just a couple of weeks ago, Leonard C. Yaseen, probably the leading plant location specialist in the Nation, was quoted in U.S. News and World Report as saying:

"The problems of the cities are not being solved By comparison the problems of small towns are easily corrected. Suppose you need a new street to gain access to your plant site. In a big city, it might take years to get through the red tape. In a small town, you can often get the matter taken care of talking to a few people over lunch."

As the interest of industry quickens, state and local governments have increased their efforts at regional planning.

At the present time, governments of 30 states have named 234 subregions with the aim of establishing programs that will encourage area-wide planning and development.

Legislation before the Congress will permit federal support of the states with funds and technical aid in their programs of regional planning and development.

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This legislation also will permit the Federal Government to guarantee the large amounts of capital required for the planning and the construction of new communities and new towns.

And while the capital sums required to change the face of America for the better will be huge, the cost will not be much more than what we are spending now.

It will not be so much a matter of finding added capital, as of redirecting the combined private and public outlays that now are going for haphazard, wasteful development that compounds old problems and creates new ones -- of redirecting it to planned, purposeful outlays that fit the national goal of choice for all.

Just one example: The design of the new city of Columbia has eliminated the need for the school bus, not only freeing the children from the daily bus ride, but saving \$1 million in transportation costs.

In closing, let me emphasize again that we, as a Nation, have the resources, the know-how, the institutions at all levels to build an America of 300 million human beings in harmony with each other, and with their environment.

To use them to the fullest -- to plan what we really want will require imagination, determination, energy and political courage and business courage. Do we have the stuff?

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What we decide commits our children and our grandchildren of the 21st century.

I say lets get with it.

USDA 1326-68

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
530 SOUTH EAST ASIAN BUILDING
CHICAGO, ILL. 60607

TO THE EDITOR OF THE JOURNAL OF THE AMERICAN CHEMICAL SOCIETY
FROM THE DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
CHICAGO, ILL. 60607

RE: [Illegible Title]

Enclosed for the Journal are two copies of the manuscript of the paper entitled [Illegible Title] by [Illegible Authors].

The paper is a full-length article and is intended for publication in the Journal. It is a contribution to the field of [Illegible Field] and is of a general nature. It is hoped that it will be of interest to the readers of the Journal.

Very respectfully,
[Illegible Signature]
[Illegible Title]
[Illegible Address]

Enclosed for the Journal are also two copies of the abstract of the paper. The abstract is a brief summary of the paper and is intended for publication in the Journal. It is hoped that it will be of interest to the readers of the Journal.

Rural/Urban Balance -- Whose Responsibility?

First, let me express my deep appreciation to you for meeting with us today. You are all leaders in your respective fields and by definition, very busy men. I hope that you will count your visit here as time well spent. Surely I shall do everything in my power to make it so.

Each of you has some special interest in rural America -- perhaps as a supplier of the products it consumes; perhaps because of close contacts with the Department of Agriculture; or because you have located your plants in rural America. We are met here today to discuss this portion of America in a period when almost all of the national conscience is focused on yet another segment of the land, the great cities.

Remarks by Secretary of Agriculture Orville L. Freeman before representatives of rural-oriented industries at the Statler-Hilton Hotel, Washington, D. C., May 13, 1968, 10 AM, EDT.

It is almost as if we were two Nations; one rural, one urban, with separate problems, separate solutions, separate destinies. But in fact -- as well as rhetoric -- we are still one Nation, indivisible, with indivisible problems, indivisible solutions; with but one destiny. And unless we recognize this, we shall never overcome the terrible strains that threaten to rend the social fabric of our land.

Today, a majority of our population lives in just 224 major urban areas, crammed into just about one percent of the total land area of the United States, the end result of the most massive migration the world has ever known, that from country to city in twentieth century USA.

Since the end of World War II our population has grown by 55 million, 37 percent.

Our gross national product went from \$280 billion to more than \$800 billion.

Nearly 3 million farms disappeared in the technological revolution that is still sweeping through agriculture.

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More than 20 million people left the countryside for the city.

A third of the original inner-city population left the city, settling in suburbia.

And all of this occurred without any preparation, any viable planning to cushion its impact or to care for its casualties.

No wonder, then, that almost nightly we see the impact on our cities as masses of ill-prepared, ill-educated immigrants, packed into the teeming ghettos of almost every major city, cut off from meaningful employment; cut off from a liveable environment and, perhaps most damning of all, cut off from hope, rebell in despair against a world they never made.

And left behind in rural America, even today, are half the Nation's poor, half those receiving old-age and childcare assistance, living in half the Nation's substandard housing.

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And so, if I may paraphrase, the times are out of joint -- the land is out of joint, with too many people in too little space in urban America; with a double-share of poverty in rural areas, in relation to its population. We are seeking your help to redress the balance.

We started on this task more than seven years ago, with some hopes, a dream or two -- not many facts, back then -- but with a firm conviction that something could be done. In the years since -- by patiently compiling the facts; developing an administrative framework in which to operate, and by trial and error, we have developed some ideas I would like to share with you today.

We determined seven years ago that no immutable force had ordained our country must rush pell mell into a world of impacted cities and rural areas stripped of opportunity. We thought that more jobs and a better life could be created in Town and Country America.

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We knew that most of these jobs would not be on the farms, since farm employment -- already cut in half by the greatest technological revolution mankind has witnessed -- was still going down.

This meant that we needed industry in Town and Country USA -- growing industry, industry with a future.

We took a good hard look at reasons why more industry had not located and grown in the American countryside. We found many reasons, some based on reality, some based on myths.

Many of the myths sprang from memories of what small town and rural America was like decades ago. Some were shaped by the writing of men like Sinclair Lewis and William Faulkner, books written in the past, from experiences of a still more-distant past.

Some of the reasons for past failure of industry to thrive in rural America were -- and are -- real, and had to be faced as real problems.

-- Often the labor supply was poorly educated, unsurveyed, inexperienced, even in poor health. Training schools and training professionals were often unavailable.

- Raw materials were often so scattered that only good transportation would make them readily available -- and often that transportation did not exist.
- Too often such necessities as good water systems, medical facilities, good electric and telephone service, hospitals, schools and shopping facilities were non-existent, as was decent housing.
- Too often, recreational and cultural facilities necessary to attract and hold management were non-existent.
- In many cases, forces for progress in these small town and rural communities were disorganized, unable to plan for industry, or to override a vocal minority that did not want industry to come in and increase the level of wages.

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I certainly will not suggest that we have overcome all of these obstacles. But -- working with the various federal agencies, state and local governments and with private national, state and local organizations -- much has been accomplished.

-- All over the country adult classes in literacy, area vocational schools, manpower development and training courses, labor surveys, improved public schools and technical schools are upgrading and indentifying the labor force in the countryside.

-- Interstate and other highways -- along with feeder airlines, improved trucking and better railroad rates -- are making both markets and raw materials more accessible.

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-- Billions of dollars have been invested in better community facilities these past several years. Water and sewer systems are being built in thousands of rural communities, often with the help of loans and grants from the Departments of Agriculture, Commerce, or Housing and Urban Development. Rural schools and health facilities are being upgraded with the help of substantial federal inputs under various programs. Rural electric and telephone services are moving ever-closer to parity with urban service. Federal loans from the Department of Commerce and Small Business Administration, along with private capital, are financing hundreds of shopping centers and service industries.

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-- HUD and Agriculture are helping to finance adequate housing in the countryside. Our Farmers Home Administration has made more rural housing loans in the past three years than in all the prior years since 1949, when the program began.

-- Rural recreational and entertainment facilities are being developed throughout the country, with federal technical and financial assistance available in various forms. Today more than 30,000 rural people market recreation: fishing, hunting, ski slopes -- you name it. Lakes, golf courses and swimming pools are being built and improved.

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-- The rural forces for progress, who want to help industry thrive in the countryside, are getting organized. In thousands of rural communities, they are putting together their resources, putting their plans on paper and into action. Counties are getting together and working in harmony on a multi-county basis.

We are now canvassing the states to find how many are moving toward the multi-county base for planning, development and services. Of the first 24 states to report, 17 are well on the way toward multi-county programs or have them under serious study. Georgia, Iowa, Kentucky and other states are now channeling and planning major public services on a multi-county basis. Federal agencies are adjusting their programs to fit the new framework.

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The Cooperative Extension Service is working with local community leaders in almost every county in the country, assisting them to become better hosts to industry. Our Technical Action Panels, one in every rural county, composed for senior federal officers can also provide "on the ground help."

If in the past some of you have been made to feel less than welcome by rural communities -- or found them poorly prepared to receive you -- please try again now.

Much more can be done; but these things are happening now in countryside America. Rural America is being revitalized now. These improvements are in being or under construction now.

A number of programs now before Congress, generally with support from both sides of the aisle, will provide even more momentum. One of these, an amendment to Section 701 of the Housing Act, has just been reported out by the Senate Banking and Currency Committee. It would facilitate planning and development on a multi-county basis. Others would provide special incentives to encourage industry to locate in the countryside.

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There is evidence that the impact of this revitalization of rural America is getting results in terms of job opportunities in the countryside.

Consider the rate of gain in employment in non-farm industries. During the three-year period, 1959 to 1962, this gain rate in Standard Metropolitan Statistical Areas -- the large cities -- was 1.4 percent.

In that same period, rural areas had a gain of eight-tenths of one percent, and small town areas -- those with population centers between 2,500 and 5,000 -- grew at a rate of only one-half of one percent.

During the past seven years, however, partly because of efforts made by business leaders like yourselves, this picture has been drastically changed. Almost half of the "million dollar" plants opened last year were outside the large metropolitan areas.

From 1962 to 1966, the industrial employment rate tripled in the urban areas, but went up nearly eight times over the base period in rural areas, to 6.2 percent -- and up eleven times in the small town areas -- to 5.5 percent.

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Migration to the large cities, while still going on, is slowing. Whereas, from 1950 to 1960, non-metropolitan counties lost an average of 597,000 people a year, during the 1960 to 1963 period, this shrank 5-fold, to an average of only 118,000 people a year.

This is not surprising. A Gallup poll released one week ago shows that, were jobs available, a majority of the American people -- 56 percent -- would prefer living on the farm or in small towns. The interesting thing about this poll is that, compared to a similar one taken two years earlier, the number expressing a preference for city or suburban living has dropped 7 percentage points while those preferring rural living has risen by the same amount. The poll has no explanation for this, but the figures are not surprising, given the increasing tensions of life in large urban centers.

So the desire for rural community living is there; the trend is in this direction; what remains is to accelerate that trend, to make this kind of living available to those who want it, to turn the exodus out of rural America around; to offer an alternative to many who are now prisoners of the urban ghetto and megalopolis.

So to get down to cases, I want to talk with you today as a frank advocate of Town and Country America as a site for industries, for this is the key to reversing the trend to megalopolis.

We do not urge you to move plants -- for moving employment simply shifts jobs around, nor are we advocates of any particular community or state -- we like them all.

But we do offer assistance in making information on rural communities available to you through our Rural Community Development Service in the Department.

We invite you to examine our Plant Location Center here in the Department, which contains a wealth of information from rural communities and state development bodies, information that can help your firm make its decisions on location sites.

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You can in confidence browse through the information provided by rural communities where you might be interested in building an industry. Your use of these files will not be made known by our staff to any community or state in which you express an interest. We will simply make available to you the names and local sources of information on any community which you may wish to explore further. If information on a given community or area of interest is not available in our files, we will get it for you.

We shall have an opportunity today to discuss further what we are doing -- and what we are trying to do.

Many of you have already done much, but I challenge you to join in doing even more to build Town and Country communities of tomorrow, to build a Nation in which 300 million Americans, in the year 2000, can live in less-crowded conditions than 200 million live today.

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We need your participation. We need your counsel. We need your ingenuity. We need it here today. We need it, privately or publicly, from here on in.

We can have breathing space, all of us. We can have technical training for the disadvantaged. We can utilize idle manpower. We can provide jobs and opportunities for people who are now deprived of them -- so they can lead decent lives in town and country.

We can have a countryside linked by clusters of renewed towns, centers where air is pure and life is hopeful and fulfilling.

We can have complexes of industries, with full employment, medical centers, entertainment and recreational facilities, all sharing in a national prosperity that today passes many by.

This is not so wild a dream. It not only can be done, it is being done right now in scattered locations across the face of rural America.

A five-county area in North Carolina -- Alleghany, Ashe, Caldwell, Watauga, and Wilkes Counties -- is one of them. Working together, these counties have changed the face of the countryside.

-- Ten of the 16 high schools in the area have been built in the last five years.

- The rate of home construction has doubled in recent years, with 5,000 new homes built in the last three years.
- Gross retail sales increased 56 percent in the five-year period ending in 1967.
- A technical institute and a community college have been built in the area and a community college has been upgraded into a university -- all in the past five years.

This area in Appalachia, once poverty ridden, is now blooming and beginning a period of rapid industrial growth.

In Georgia 17 area planning and development commissions, covering 144 of the 159 Georgia counties have been organized. They are helping towns and counties pull themselves up by their bootstraps. These commissions get financial assistance from the State government and under Federal programs -- but first they must raise \$15,000 themselves. It's this kind of local organization and local determination to move ahead that we are encouraging all over countryside America.

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Several proposals now before Congress, generally with support from both sides of the aisle, would provide this kind of momentum to more areas. One I mentioned earlier, amendments to the Housing and Urban Development Act of 1968, would establish a new concept under which joint city-county and multi-county planning programs can be financed with Federal funds. It would also broaden the concept of planning to include a wider range of local problems and needs in such fields as job development, poverty and public administration. In addition, it would permit the granting of Federal funds to multi-jurisdictional area organizations to help them do the planning for progress.

Obviously such action would help town and country communities to break out beyond the jurisdictional walls which have inhibited progress.

The Rural Job Development Act, introduced in the Senate this year with bi-partisan support, would provide tax incentives to encourage industry to locate in small towns and rural areas afflicted with low incomes and unemployment. Cooperating industries could receive investment credits, accelerated depreciation and a 125 percent deduction for wages paid workers employed from low income groups.

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-- I hope you will take a good look at this and other pending legislation to see if it merits your support as legislation that will help you help the country get this job done. If you think it will help, I hope you will support it. If you think amendments, or entirely different legislation, will help, I hope you will make proposals. We need your opinions to perfect a program to accelerate growth in the countryside, your help in getting it through Congress and your cooperation in making it work.

-- I hope that this help will include a commitment to consider the need for a better rural-urban balance when you yourselves are planning branch plants, and I hope you will urge your fellow industrialists to consider the new Countryside America in their expansion plans.

The biggest obstacle in our path, I think, is a lack of belief that we can change the future ... a feeling, somehow, that we are now the blind prisoners of events, rather than the master of them.

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Late last year we had a symposium on the subject I have discussed today, rural-urban balance, and Jim Rouse, the developer of the new town of Columbia, Maryland, summed up this feeling when he said:

"The prevailing mood ... in America today, although one of urgency and yearning to move ahead, is really one of disbelief -- disbelief that anything is really going to happen.

"This, to me, is the most devastating fact about America today, that people have come to look upon the problems of the urban environment, however they are identified, as battles to be fought rather than victories to be won.

"We talk in terms 'of the need for, not 'how to do it.' There is missing from the American mentality, attitude, and spirit the conviction that we have the capacity, the resources, and determination to do it -- and that we will -- not in 100 years or 50 years or in 40 years, but in a decade.

"Yet there is absolutely no question that we have the capacity to do it -- absolutely no question about it."

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End quote.

Well there is absolutely no doubt in my mind that we have the resources to accomplish, with your help, what we have discussed today, given the will to do it!

If we can do so, we will regain something very important which this country is in danger of losing. And that is a vision of the future based on the possible -- and not just the probable.

It is probable -- unless we act boldly now -- that in another 30 years 200 million of us will be packed into 200 or so teeming, polluted metropolitan areas. It is certainly not desirable. Yet if we base our planning, our new installations, on this probability, then certainly the prophesy of this kind of America will become self-fulfilling.

If on the other hand we make a national commitment of the kind of America that is possible and desirable, we can change the face of this land; we can preserve its social fabric, we can build a society that is worthy of the dream that has guided this nation now for nearly two centuries. I devoutly hope for your help in doing so.

Thank you.

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CHICAGO, ILL.

1960

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JUN 12 1968

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There are a lot of these stories from the thirties -- humorous or wry -- but all illustrative of the fact that laws and administrative procedures are, in fact, made by men -- and that government, huge and ponderous at times, still reflects a very human side.

So today, we look back to the beginning 35 years ago. We mark the anniversary and very proudly and humbly we pay our tribute to you here today ... to my colleagues in the Department, many of whom have just recently retired or who are approaching the day of retirement ... and we salute those who are gone.

The commodity, land, credit and rural programs created in the thirties struck deep roots upon which American agriculture has grown and flourished. Their intent and purpose have given invaluable direction to our farm economy. Their flexibility has enabled program modifications through the years -- and will in the years to come -- to reflect ever-changing conditions both at home and abroad.

As the gods measure time, 35 years is a short period indeed. To man it is most of a working lifetime. Those of you who were there, who had a part in that great undertaking, can count them as years well spent. We are all in your debt.

Thank you.

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MAY 16 1968

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U.S. Department of Agriculture
Office of the Secretary

We celebrate not one anniversary today, but two -- the signing of the Agricultural Adjustment Act, on May 12, 1933, which brings us here today, and a much earlier one, the establishment of the Department of Agriculture on May 15, 1862.

At that time, 106 years ago, the auditorium in which we meet was open country, the site of USDA's first experimental farm. The price of the corn and wheat that grew here is not recorded, but we may be sure that whatever it was, it wasn't enough then as now.

A lot has happened since, most of it for the better. In reading House Resolution 269, an enabling act to establish a Department of Agriculture, I discovered that the Congress set the salary of the first Commissioner of Agriculture at \$3,000 per annum and that of his Chief Clerk, who would now correspond to our Under Secretary -- at \$2,000 per annum.

You can see a reproduction of this Act here today.

Well, the salaries have improved some ... the job has gotten a little tougher, perhaps, but there are compensations. For also in the 1862 Act was this provision:

Remarks by Secretary of Agriculture Orville L. Freeman at Ceremonies marking the 35th anniversary of the Agricultural Adjustment Act, Jefferson Auditorium, USDA, Wednesday, May 15, 1968, 10 a.m., EDT.

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57 U. S. Department of Agriculture
Office of the Secretary

I am glad to be back in Iowa again -- to this heartland of American agriculture. And I am very pleased and honored to have been asked to take part in this occasion tonight.

We held a similar affair in Washington this morning. It also marked this 35th anniversary year of national farm program legislation. We recognized and honored those people who played their part at the national level in the beginnings of farm program legislation and Triple-A. It was a grand affair.

And it is only fitting and proper that Iowa's observance be held on the same day. This proud and strong agricultural State has been in the vanguard of farm and rural progress since the first pioneers pushed West of the Mississippi. You made history along with the Nation's Capital 35 years ago.

Remarks by Secretary of Agriculture Orville L. Freeman at the Iowa ceremony marking the 35th year of national farm legislation and recognizing Triple-A personnel, Wednesday, May 15, 1968, 7 p.m., CDT, Des Moines, Iowa.

Iowa has sent more Secretaries of Agriculture to Washington -- four of them -- than any other State, and all four made their marks in agricultural history. There were James (Tama Jim) Wilson, Edwin T. Meridith, and those two giants of intellect and vision, Henry C. Wallace and his son, Henry A. Wallace.

And in noting records, may I point out that Tama Jim Wilson set a mark that still stands -- the longest service of any Secretary, 16 years in Washington under three Presidents. Quite frankly, I don't know how he did it. You make rugged men here in Iowa.

There were many capable men from Iowa who worked under Henry Wallace during Triple-A. Included were: the late Dr. A. G. Black, chief of the farm economics section at Iowa State College. Dr. Black was loaned by the college to serve temporarily as corn-hog administrator.

-- Chester C. Davis, reared on a Dallas county farm and a graduate of Grinnell College. He became commissioner of agriculture of Montana and was the first production administrator of Triple-A. He later became administrator of Triple-A and was War Food Administrator.

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-- M.L. Wilson, reared on a Cass County farm.

A student at Iowa State College, he later farmed in Montana and was put in charge of wheat production control.

Three more Iowans actively involved 35 years ago are now on my staff -- Arthur Thompson, Byron Allen and Walter Wilcox. Art, who served as an assistant to Henry Wallace, now heads up my grain policy staff in ASCS. Barney moved to Minnesota some 30-odd years ago, served as commissioner of agriculture while I was Governor, and is now my assistant for federal-state relations. As many of you know, both men played key roles in the first U.S. corn loan entered into up in Pochontas county in 1933. Walter Wilcox, who was at Iowa State in 1933, is now the Department's Director of Agricultural Economics.

Your people, your farm leaders, your organizations and your universities always have supplied both Iowa and the national government with men firmly rooted to agrarian interests and dedicated to the national welfare.

And they brought -- and still bring -- to their work elements vital not only to farm affairs, but to a strong democracy -- the feeling, the value, and the warmth of understanding people.

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Human values and hard work meshed here 35 years ago into the programs of Triple-A. The honored guests here tonight, who played such a key and vital role in those commodity, land-use and credit programs, have much to be proud of and much to remember.

The weather was bleak, raw and harsh that spring of 1933; the winter had been long and hard. If the weather was rough, it was as nothing compared to the economic buffeting that had rocked rural America since 1929.

Surpluses were heaped on the land and commodity prices had plunged to all-time lows. Bankruptcies and foreclosures were the order of the day. Hard cash was as elusive as a paid-up mortgage note and a dollar bill "looked as big as a window shade."

There was discontent, uneasiness and fear across the land. There was a general feeling of frustration and resentment astir in rural America.

Cash farm income had fallen to \$4.37 billion in 1932 -- the lowest during the quarter century for which there are records. The purchasing power of the 1932 income was 40 percent less than that of 1929. Incidentally, that \$4.37 billion national farm income total in 1932 was only \$88 million more than Iowa's total cash farm receipts last year.

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Farm prices had dropped an average of 55 percent from 1929 to 1933. Grain prices fell 63 percent, and meat animals 60 percent.

In Iowa, the state average price for corn dropped to 12 cents a bushel in December of 1932, but the price hit 8 and 10 cents a bushel, or lower, in some counties.

In fact, with coal prices high and corn low, with the cribs full of corn and the coal bins empty, many Iowa farmers -- as you well remember -- turned to burning corn to heat their homes. They also melted some grates until they learned to feed the ears in slowly.

Corn burning experiments were conducted by the Iowa Engineering Experiment Station at Iowa State College, Ames. It was found that 141 pounds of Iowa ear corn, with 8 percent moisture had the same heating value as 100 pounds of Iowa coal.

It was determined that 40 bushels of ear corn (70 pounds per bushel) were equivalent to a ton of Iowa coal. About 47 bushels of corn were found equivalent to one ton of Illinois coal. It took 57 bushels of corn to equal a ton of anthracite coal.

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Finally, it was determined that it required the corn from 10 acres of Iowa land to produce enough fuel to heat the average house one winter.

A lot of corn acreage was used to heat Iowa homes back then -- and Iowa corn stoked the furnaces of many a courthouse and school.

Other commodities in Iowa also had dipped to low levels -- even on the basis of state-wide average monthly prices. Most of you will remember these prices:

- soybeans, 38 cents a bushel in December of 1932;
- cattle, \$3.90 a hundredweight in January and February of 1933;
- hogs, \$2.40 a hundredweight in December of 1932;
- wheat, 34 cents a bushel in February of 1933, and
- milk dropped to 95 cents per hundredweight in March of 1933.

The farmer was in the most extreme financial crisis in history when Henry A Wallace became the 11th Secretary of Agriculture on March 4, 1933. The nation's entire banking system had collapsed. Unemployment in the cities had reached monumental levels. There was no purchasing power to obtain what was produced. And hopelessness reach epidemic proportions

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Even among farmers -- normally one of the most stable elements in American society -- there were strikes, forcible interventions with legal processes such as mortgage sales, mob formation and violence, and even violence to constituted law officers such as sheriffs and judges.

The farmer was on a tortuous road. He was burdened with surpluses, strapped with fixed costs and high interest rates, hobbled for credit, and whipsawed by low prices and disappearing markets.

It was against this backdrop of calamity that Secretary Wallace and President Roosevelt moved quickly after the inaugural to devise programs for farm relief. And with crops going in, they were under the gun -- particularly to avert more surpluses in corn, wheat and cotton. The "race with the sun" was underway.

Incidentally, I well remember another time -- and a very similar situation -- when farm leaders, the Secretary of Agriculture, the President and the Congress had to race the sun to get legislation and programs into operation.

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This was in 1961, immediately after President John F. Kennedy took office. After consultation with farm leaders and with his full backing, I had the Emergency Feed Grain bill drafted. President Kennedy submitted the proposal to Congress on February 16. Many said it couldn't be passed in time, but the Feed Grain Act was approved on March 22, 1961. As many of you may remember, within minutes after President Kennedy had signed the Act into law, I headed for the Midwest with commodity experts from ASCS to explain and to get the corn and grain sorghum program into operation.

In 1933, the Agricultural Adjustment Act -- Triple A -- became law on Friday, May 12. And that night -- and over the week end -- Secretary Wallace met with farm leaders to get the programs on the road.

Quite simply, the Act's intent and purpose was adjustment -- to remove the surpluses and to restore farm purchasing power by adjusting production to effective demand. Acreage adjustment programs were based on voluntary agreements with producers. Direct payments were authorized for participation in the programs. The designated basic crops in 1933 were wheat, cotton, field corn, hogs, rice, tobacco and milk and its products.

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The legislation and the Triple-A programs relied on cooperative and democratic processes. They still do. The only way farmers can get -- and keep -- a balanced production, a shared fair return, and a richer life is to do the job themselves, to hold together, and to stick with programs that give results.

And may I say -- here and now, after almost eight years of intense exposure -- that I believe the necessity for a national farm policy is as strong as ever. I believe in the rights of farmers to a good return and strong purchasing power. If the farmer is to have these rights, the commodity programs -- which had their genesis in the Triple-A -- must go on. Fundamentally, the problem of 1968 is the same as in 1933 -- overproduction, the ability to produce far more than effective demand will absorb. If we don't meet that problem, the bottom will fall out of farm prices once again.

The shortest road to obliterating the family farm ... the shortest road to national destruction ... the quickest way to become a have-not nation ... is the downhill route we would follow if we permit surpluses to pile up again.

May we never live to see that day.

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You people here in Iowa not only sent leaders to Washington to devise agrarian policy and fair programs, you also helped blaze the conservation trail.

Using Agricultural Conservation Program cost-sharing, you now have enough storage-type farm dams and ponds to create a lake with an area 7 times as large as Spirit Lake up in Dickinson county.

There are enough sod waterways to create a ribbon of green from Des Moines to London and back. There are enough terraces and diversions to go around the earth twice -- and have a good start on a third round.

Price support loans in Iowa, since the programs began through December 31, 1967, have totaled \$4.06 billion. Of this, corn price support loans alone totaled more than \$3 billion. And one-third of the corn loans have been made since 1961.

That first corn loan 35 years ago this November 24 was truly an historic occasion. I am very pleased that so many of the original participants are especially recognized here tonight.

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In a speech here in Des Moines on November 11, 1933, Secretary Wallace announced his intention to initiate a new farm-stored corn loan program in about 10 days time. The announcement, as I'm told some announcements by Secretaries still do, caught a lot of people back in Washington unawares -- and the scramble was on.

The fiscal people headed up to Jesse Jones' Reconstruction Finance Corporation to get funds so that the nonrecourse loans could be handled by the newly-established Commodity Credit Corporation -- at that time operating under a Delaware charter.

The people in George Peek's Agricultural Adjustment Administration began to iron out program policy and regulations. And Art Thompson came into the act about this time to help devise forms and to pressure the General Printing Office to give some priority to printing them.

About this time, too, Henry Wallace called his old friend Barney Allen, who was in the State legislature at the time and was publisher of the Pocahontas Record-Democrat.

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Because Iowa was the leading corn producing State, Wallace thought it only proper that the first loan should be made here -- and Barney quite properly agreed. So Barney called some of his old schoolboy friends -- and W. W. Eral of Pocahontas County agreed to enter into the first corn loan in history.

Back in Washington, funds had been pledged, and one of the Department's men who had a close friend in the Government Printing Office's plant had eased the corn-loan forms up the priority list.

The first batch of loan forms arrived at the Department early in the afternoon of November 23rd and Art Thompson had the mail bags hauled into the basement Post Office. Then he discovered that the mail room wanted \$96.86 -- and every stamp in the Department -- to air mail them to Iowa. It took a call by Secretary Wallace to get the money. And Art only caught the mail plane because a rain squall held it on the ground an extra 10 minutes.

The forms were received here in Des Moines by Iowa Secretary of Agriculture Ray Murray shortly before noon on November 24th. H. C. Aaberg, assistant Secretary, was charged with taking the loan forms and other supplies to Pocahontas County.

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Mr. Aaberg flew to Pocahontas county shortly after noon in a plane provided by the Des Moines Register and Tribune and handed the first corn-loan blank to county officials. And, as the Pocahontas Record-Democrat documented the occasion, "... So began, at 1:42 p.m., Friday, November 24, the government's corn loan plan in the United States."

The party drove to the Eral farm a mile and quarter south, where Theo McCartan, official sealer, measured the crib -- figured to contain 1,300 bushels. Mr. Eral took his certificate to the Commercial State Bank in Pocahontas where Charles E. Watts, President of the bank, accepted the certificate and gave Mr. Eral \$585 due him on the 1,300 bushels at the 45 cent loan rate.

Fred Roewe, of Laurens, was president of the county warehouse board at that time. The copy of the loan application was filed with County Recorder Verge Peterson who, now Mrs. Verge White, is a price support clerk in the Pocahontas ASCS County Office.

As Barney Allen told me just recently: "... That day in Pocahontas County, Iowa, corn rose from 10 cents a bushel to 45 cents a bushel, by one little act -- the sealing of a crib of corn for my old school mate who went to Charley Watts' bank with the proper papers and got a nonrecourse loan on his corn at 45 cents."

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And the Des Moines Register-Tribune, in an end of the year story dated December 31, 1933, had this to say about the program:

"The year 1933, the year when farm relief became an actuality, drew to a close Saturday with corn-belt agriculture, that aching tooth in the nation's economic bridgework, feeling the effects of more than 21 million dollars worth of New Deal 'dental work.'

"... Tax collections have picked up. Businessmen throughout the state reported the best Christmas business in years almost without exception. Bankers have noted new life in trade channels."

That program 35 years ago did breathe new life into the farm and State economy. And there were others. The corn-hog program cut into over-supplies. The wheat program cut down production, and Iowa had another first in this program. The first benefit payments in the wheat adjustment program moved to midwestern farmers on October 31, 1933, when 485 checks totaling \$52,147.60 were mailed to farmers in Monona County.

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Iowa was the leading state in establishing corn-hog committees, setting up its first county committees in June of 1933. And the National Corn-Hog Committee of 25, made up of delegates of the Iowa committees and those from 9 other midwestern states, was formed in Des Moines on July 18, 1933.

Roswell Garst, of Carroll county, was a member of that committee. You will remember, that his was the farm visited by a skeptical Nikita Krushchev back in the '50's. After seeing Mr. Garst's farm operation, the Premier went home and announced a new agricultural plan for the USSR.

There are many fascinating items in the long course of agricultural history. There are many thousands of individuals who have contributed to making our agricultural plant the world's most efficient and productive unit.

And the most unique -- certainly the most pivotal -- factor in our agricultural system and commodity program administration is the county committee system that evolved during the Triple-A years of the Thirties.

The people who made this system work, who gave unstintingly of their time and effort, include those honored here tonight. Nowhere else in the world, and at no time in history, has there ever been a system comparable to it.

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And the idea of local administration of farm programs again came from Iowa people. It grew out of discussions by Henry Wallace, M. L. Wilson and Chester Davis.

From the beginning, two important concepts have characterized the committee system: (1) the democratic process of electing committeemen in counties and communities, and (2) the belief that the person best able to administer a farm program in the most practical way, with the most beneficial long-term results, is the farmer himself.

The predecessor of the present-day county committee in 1933 was the producer association. More than 4,000 of these association committees were formed. They handled nearly two million production adjustment contracts in 1933 alone.

From 1933 through 1937 the local administration system was modified and refined, and in 1938 the Congress made the system mandatory for the administration of commodity and land-use programs.

The county committee system -- a truly American institution -- has done a remarkable and invaluable job through the years.

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It became -- and it remains -- the primary body of administration and jurisprudence for farm programs. In many ways, it epitomizes American democracy and reflects the principles upon which the Department of Agriculture was founded.

One hundred and six years ago today, on May 15, 1862, Abraham Lincoln put his signature to Public Law 62 of the 37th Congress. A new Department of Agriculture then came into being.

All of us here tonight not only recognize the beginning of national farm policy 35 years ago while honoring those who were part of that beginning, but we are also forging another link in an historic span of more than a century of agrarian effort.

For my part -- although I didn't initially seek it -- no job could give a greater opportunity for service than that of Secretary of Agriculture ... no task could be at once more demanding and yet more rewarding.

All of you have been in the thick of it, too. You know it's been no bed of roses to get the best possible at all times and under all circumstances for the farmer and his community.

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We've had some rough go-arounds to get and to keep good programs. We'll probably have some more.

But I assure you that, as Henry Wallace pointed out more than 30 years ago, we'll go ahead "with the genius of our people, and that we'll stick ... through thick and thin, no matter how great the pressures of opportunists."

The race with the sun was won in the past -- it will be won again whenever it must be won.

Thank you.

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NOT SO WILD A DREAM

I am indebted to Eric Severeid for the title of my remarks tonight, "Not So Wild A Dream," a great book by a fellow Midwesterner and outstanding commentator on the American scene.

I suppose that some editorial writers will make fun of that title, as editorial writers are wont to do, but I don't much care. A Secretary of Agriculture must develop a thick skin and a forgiving nature if he is to survive the ordeal of power -- and besides, it expresses what I feel deeply and sincerely.

Dennis Gabor once said that "We cannot predict the future, but we can invent it," and Wilbert Moore, the great sociologist, tells us that "Revolutions thrive on utopian images, and without such images they will fail."

Address by Secretary of Agriculture Orville L. Freeman to the National Manpower Conference on The Rural to Urban Population Shift, Oklahoma State University, Stillwater, Oklahoma, Friday, May 17, 1968, 7:00 PM, CDT.

So lets be frank. The solution to the problem posed by your conference this week, "The Rural to Urban Population Shift," will be utopian to some, and it involves, in a very real sense, inventing our own future. It will amount to a revolution -- not the violent kind, but one just as far-reaching, just as comprehensive, just as pervasive, as that of 1776, or the Jacksonian revolution of the last century, or the social revolution of the thirties. John Fischer described it when he wrote in Harper's early this year:

"It may be a time when we find a new national purpose: to resettle the deserted hinterland, to discover ways of moving people and jobs away from megalopolis before it becomes both uninhabitable and ungovernable. It may be a period when we invent new ways to govern the modern state, as we invented the machinery for settling and governing an empty continent 200 years ago.

"Certainly it will be a period of political realignment -- possibly more drastic than anything yet imagined either by the despairing youngsters of the New Left or the frightened oldsters of the Extreme Right."

...But, Fischer might have added, not as drastic as what the Nation has already undergone. Since the end of World War II, the United States has witnessed a rural-urban migration greater than the exodus from the Old World to the New at its height; greater even than the movement of peoples in Eastern Europe in 1945-46.

And so, if what I discuss tonight -- reversing the trend from country to megalopolis -- if this sounds utopian, we might reflect for a moment on how you might have greeted a hypothetical Secretary of Agriculture who stood before you on a May evening in 1945, and who said something like this:

-- "In the next 20 years we're going to shift 20 million people out of the country and into the city;

-- "In the process, 3 million farms will disappear;

-- "And a third of the cities' original population will migrate and settle in the suburbs."

How wild a dream, and yet this is what happened. But for this army of migrants, there were no reception centers; no basic training; no aid stations for the casualties; no GI bill to enable the veterans of the migration to enter the mainstream of American life.

And so a generation passed, and more; a generation that had firsthand experience with the cockroach and the rat -- but had never, many of them, seen a butterfly; whose view was bounded by garbage cans and concrete; but who had never seen a tree or an open field.

...Who had lost, most damning of all, that one item that made the hardships of an earlier frontier bearable ... hope.

The migration has slowed, but it is by no means over. Rural minority group members double their population every generation. The agricultural revolution continues, unabated, the latest example being the mechanical tobacco harvester which will soon invade the southeastern states hitherto largely untouched by mechanization in that commodity.

And so I plead guilty -- unless someone steps forward to claim credit -- to coining the phrase "Rural-Urban Balance." It is an imperfect phrase, but the best one I could come up with to describe the paradox I see in crowding some 140 million Americans into less than two percent of the continental land mass, and basing all our public and private decisions on the assumption that another 80 million will be crowded in- to the same area by the turn of the century.

If this happens -- and it surely will if we become slaves to the trend line, basing our plans on the probable, rather than the desirable -- we will enter the next century with greatly exacerbated problems left over from this century, rather than arriving at solutions. The consequences to the American Dream -- the completion of the American Revolution that even now is sweeping the world, 200 years later -- are too horrendous to contemplate.

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I think I can say that I have fought for, explained, publicized, and exhorted on the need for a rural renaissance and for rural-urban balance just about as much as anyone in this Nation. I am encouraged by the progress that has been made -- small as it is alongside the mammoth job that must be done -- and I remain a fervent believer that this Nation can indeed invent its own future, and can have a better future than that predicted for it by exponents of the ant hill philosophy of demography, who prescribe as an article of faith, this trinity:

1. That growth of megalopolis is inevitable;
2. That decline of rural areas is inexorable;
3. And that questioning the articles of faith is inconceivable.

I have left the faith. I plead guilty to heresy, but I also admit that it took me some years to promulgate a new faith to replace the old.

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A few years back those of us who were concerned about this problem were talking in the somewhat nebulous terms of general rural development.

I think back to the campaign on which we embarked -- trying to interest local leaders in cooperative and coordinated action for rural community improvement. I think of the legislation that was enacted to help provide more profitable farming, more business and industrial job opportunities in rural America, better job training for rural youth and underemployed adults ... better housing and modern water and disposal facilities in rural communities.

Then we began thinking more and more of regional development -- the harnessing and improvement of all the resources of a region or area comprising a number of counties, such as the TENCO in Iowa, Little River in Arkansas and a number of others.

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We began to talk in terms of Town and Country USA -- the concept of a rural region viewed as a basic economic unit built around one or more fully planned new cities of perhaps 100,000 population, or growing population centers that would offer the residents in a multi-county area all the best features of urban and rural life combined.

And now we are urging a national policy to promote the Town and Country concept and to achieve a rural-urban balance as an indispensable need for the America of tomorrow.

But I think the time has come when it is no longer enough simply to exhort the American people to move in this direction. We must now begin to look more closely at the problems and to recognize the pitfalls and obstacles that will confront us in seeking to create an America in balance.

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So, for a few moments today, I am going to shed my wings as a Town and Country angel and put on the horns of the devil's advocate.

First, let us recognize that there is no special value in stopping the movement to the cities unless we are able to improve life in the countryside. Nor is there any real hope of stopping this migration except by creating opportunities in the country so that people will decide to stay there, and that people in the cities will want to go there. We must, in short, reverse what Barbara Ward calls the "sucking pull" of the city -- replacing it by a pull to town and country.

Second, let us beware lest the simultaneous effort to revitalize rural America and renew urban America become a contest for funds and other resources, a city versus country confrontation. For if such a contest were to develop rural America would lose -- if for no other reason than because it is overwhelmingly outnumbered. But what is more important, in such a contest both sides would lose in the long run.

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In other words, let us recognize that we will never achieve true and permanent urban renewal unless we also achieve rural revitalization. These are not two separate problems. They are two sides of the same problem. Rural revitalization and urban renewal, therefore, must be viewed as a two-front attack on the one problem of rural-urban balance.

In this context, I often recall a conversation I had recently with Chester Bowles, the Ambassador to India. Discussing the horrendous problems of swollen, impacted Calcutta, he told me that, in effect, every effort to improve living conditions in that city was quickly overwhelmed by new waves of migrants from the countryside who swamped the new facilities.

Also in this context, a February Wall Street Journal article headlined, "Migration of Jobless to Detroit Appears to Peril Antiriot Plan," had this to say:

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"A massive industry effort to help avert future riots in Detroit appears to be backfiring as hundreds -- possibly thousands -- of unemployed persons from out of the state come to the city seeking work.

"The result: Some out-of-staters have failed to get a job, swelling the unemployment that many believe contributed to last July's riot.

"Others have snapped up jobs that might have gone to the city's own so-called hardcore unemployed."

And so the nation can never really solve the congestion, crime, poverty, unemployment, and soaring welfare costs of the cities so long as the countryside continues to pour in a flood of ill-trained and poorly-educated rural dropouts.

On the other hand, rural development without urban renewal could eventually result in flooding the countryside with urban dropouts.

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Let us recognize further that rural development can ease urban pressures, but it cannot resolve the cities' difficulties.

Rural development alone will not prevent industry from contaminating our streams and lakes with industrial waste. Rural development alone will not keep millions of motorcars from poisoning the air. Rural development can make it easier to cope with these problems, but we will never solve them until we attack them at their roots.

Rural development alone will not solve the national poverty problem. It will help by providing more job opportunities in rural communities and by providing better training and education for farm and rural youth. A new rural plant cannot employ the untrained, the illiterate, the victims of the poverty culture unless they are trained. Nor can it help the victims of racial injustice by its mere being, unless the root cause of discrimination is corrected. These problems must be attacked wherever they exist, in the cities as well as in the countryside.

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Yet an essential part of the rural renaissance involves new rural industry. We want to see factories, stores, and business establishments of all kinds scattered throughout rural America -- bringing more jobs, better income, and greater economic opportunity. But let us recognize that while new industry brings new economic life to a community, it also brings a need for new and expanded services.

A sizeable new plant coming into a rural community creates a need for housing which may be improperly filled -- creates a need for water which the existing system may be unable to provide -- creates a need for schools and teachers, for taxes and management capacities which the community may find difficult to meet.

We must be prepared -- and this means preparing now -- to manage rural development, and manage it better than we have thus far done for urban development.

It is by no means inconceivable that unless we plan properly -- and plan now -- we could wind up with many of the same stresses and strains in our small communities that we now face in our large urban centers -- mini-slums, micro-congestion, the same overcrowding of recreation areas, the industrial water pollution, the same air pollution, the same blight, the same ghettos that now plague New York, Chicago, Washington, Los Angeles, and other large cities.

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At a Symposium last December on Communities of Tomorrow, sponsored by six members of the Cabinet, the need for national, State, and local planning was brought out again and again.

Vice President Humphrey urged a far-reaching national policy both on urbanization and rural development.

Secretary Weaver said, "Planning makes it possible to approach the problems of balance within a region in all of its dimensions."

Arthur Flemming, former Secretary of HEW, called for a new national goal "followed up by planning programs which spell out specific standards of performance."

Barbara Ward pointed out that the computer is available to help us plan more quickly and adequately than we have ever been able to plan before. But she questioned whether the political instruments exist in America to take advantage of the concept of balance. She called attention to the fact that in New York there are over a thousand separate government units and that there is no way to get them to act together. "If you cannot control land use, you cannot have a plan," she said. "It is as simple as that. If there is no right of eminent domain for anything save freeways, if freeways claim an almost cancerous life of their own, if every tiny unit can zone in industry and

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zone out housing and schools, then no plan is possible and America will continue to get the mixture as before -- which with 100 million more people added, could be the recipe for genuine breakdown."

As a former Governor, I have some acquaintance -- and the political abrasions to prove it -- with the complexities of state and local governments -- outdated state and local institutions, obsolete governmental organization and procedures, the duplication of powers, conflicting jurisdictions, and inadequate tax bases. These conditions can handcuff communities and keep them from the kind of Town and Country environment which we would like to see develop in rural America.

Our planning for the future must not be bound by obsolescence whether in government organization and practices or in the social and economic order. In a world where scientific knowledge is doubling every decade, and the pace of change seems also to double every decade, we cannot afford to be hide-bound in our concepts or our processes.

A report on state government by the Committee for Economic Development last year said bluntly that state governments "for the most part are inadequate." In many states basic constitutional reform will be required before local governments will be able to cope effectively with their growing local development problems and opportunities.

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Better management is equally necessary. The challenges confronting local and State governments today require a high degree of skill, training, experience, and dedication. Persons of this caliber are not likely to be attracted by the low salaries, lack of merit systems, and absence of challenge prevailing in local governments today.

If I seem to place a great amount of emphasis on this matter of local involvement, it is for a reason:

After eight years on the federal level -- six before that in state government -- I am not so naive to believe that the problem of rural/urban balance can be solved on the banks of the Potomac. We can provide the loans and grants to build rural housing -- and community facilities -- and funds for planning and a great deal more help for communities that want it.

But we can't instill in a community and its leaders the desire for rational growth. We can't -- nor should we be able to -- force an area to plan for multi-county development, making full use of its combined resources. This has to come from local leadership.

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There are experts here today far better qualified than I in how we get this done. I could tell you what my Department has done -- and it has been impressive, compared to any previous period I could tell you about new administrative tools we have developed, the new departures in our Technical Action Panels, Rural Community Development Service, our Resource Conservation and Development Projects, and a hundred other innovations we have devised to help local communities shape their own destinies.

But I won't. Rather I would like to close tonight with what seems to me the essence of this problem, of what must be done if we are to invent a future, rather than inherit the leftovers of another age.

If you will bear with me a moment, I would like to read a short quotation from a talk by Jim Rouse -- developer of the New Town of Columbia, Maryland -- who, at our symposium on rural/urban balance last year, summed it up rather well. He said:

"The prevailing mood of the meeting, although one of urgency and yearning to move ahead, was really one of disbelief -- disbelief that anything was really going to happen.

"This is a prevailing mood in America today. I expect, if we were honest with ourselves, that it is a prevailing mood even of this meeting. I wonder, as you have listened to the identification once again of the problems ... and the bright hopes and solutions and possibilities, and as you see clearly the possibility -- the certainty, really -- that this kind of society doesn't have to be, that it is beneath the dignity and capacity and legitimate expectancy of America -- I wonder if you wouldn't admit that you really don't expect to see anything significant happen about it.

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"This, to me, is the most devastating fact about America today, that people have come to look upon the problems of the urban environment, however they are identified, as battles to be fought rather than victories to be won.

"We talk in terms 'of the need for,' not 'how to do it.' There is missing from the American mentality, attitude, and spirit the conviction that we will transform the American city, the conviction that we have the capacity, the resources, and determination to do it -- and that we will -- not in 100 years or 50 years or in 40 years, but in a decade."

Perhaps that is even the mood of this meeting tonight -- I don't know. But I hope not.

For I believe that the fragile web of civilization we have constructed in this Nation -- which after all depends on intangibles, on mutual trust, on a dedication, if you will, to commonly-shared ideals, even on what Lincoln called the "mystic chords of memory" -- I believe this web is too-fragile a thing to contain the stresses and strains that it will be subject if the Nation continues on its present course.

It will rend and tear apart, and the flames that many of us witnessed at first-hand this spring are but a harbinger of worse to come unless drastic, immediate and pervasive changes are made.

And yet this is not the overriding reason that change should be made. Rural/urban balance offers no quick, easy solutions to the alienation, despair and violence that now infect every one of our major cities.

The reason is much more fundamental than this.

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It is, simply, that what we are building in megalopolis is unworthy of us as a people.

Paralysis in local government, confusion in the many-layered state-federal system ... is simply unworthy of a people who devised the most enduring political document in history, the Constitution, and who innovated the Land Grant Colleges ... the TVA ... the New Deal and a thousand-and-one other new responses to meet the problems of previous ages.

An America benighted by formless suburban sprawl, cancerous with decaying inner-city ghettos, impacted with too many people in too-little space is simply unworthy of a Nation that swept across three thousand miles of wilderness, subdued it and built a civilization on it that has conferred more bounty on more of its people than any other.

An America whose streams are polluted; whose air is befouled, whose vision -- for many, is confined by the ghetto wall ... this kind of an America is simply unworthy of a people who have the technology, the money and the will to send men to the moon.

A poet wrote a few years ago --

"We cannot see the stars anymore;
Those infinite spaces.
The open road leads but to the used car
lot."

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Is this to be the American condition?

So let me close by asking a question of each one of you. Is an America built to human scale, human values - where every American has a choice of where he would raise his family ... where jobs, first class housing, education and public facilities are evenly distributed over the land, is this kind of America possible?

Is this so wild a dream?

I hope -- and I pray -- it is not. Let us make it otherwise, for it can be done.

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Statement of Orville L. Freeman, Secretary of Agriculture
before the Subcommittee on National Parks and Recreation
of the Committee on Interior and Insular Affairs,
House of Representatives on H.R. 10951,
S. 2515, and Related Bills,
to Establish a Redwood National Park
May 21, 1968

Mr. Chairman and Members of the Committee:

I am here to urge you to reject the proposal to transfer land from the National Forests to pay owners of private timberlands within the proposed Redwood National Park.

This is not necessary to establish a Redwood National Park. It would set a precedent that would imperil the integrity of the National Forest System. It would violate a basic national principle consistently rejected by Congress and long opposed by the Country's major conservation organization.

H.R. 13508 and S. 2515 would authorize the Secretary of the Interior to use the Northern Redwood Purchase Unit as trading stock to acquire private timberlands within the Redwood National Park.

The Department of Agriculture strongly supports the effort to create a meaningful and outstanding Redwood National Park. There should be no misunderstanding about this. But we are unalterably opposed to the barter of National Forest timberlands for private lands needed for the proposed Park.

Since the National Forest System was created by President Theodore Roosevelt over 60 years ago, to check the plundering of the public domain, we have consistently and vigorously objected to exchange of National Forest lands to acquire private lands whether for proposed National Parks, reservoir projects, highways, or other Federal projects. We will continue to resist all efforts, large or small, to put National Forests on the trading block to bargain away the resistance of private timberland owners whose lands are needed for important public programs.

Our reasons for opposing payment-in-kind were expressed to you last year by Forest Service Chief Ed Cliff. To me, these reasons are as valid and convincing today as they were a year ago.

Not only does the proposed trade violate a vital national conservation principle, it is also inequitable and uneconomic. Payment-in-kind here would favor a few large companies at the expense of many other smaller operators, who now have an opportunity to bid on Purchase Unit timber.

The special treatment a few operators will receive if compensated with the Northern Redwood Purchase Unit is evident when we look at the area's timber resource situation.

If harvesting continues at current cutting rates, the old growth timber on private lands in Del Norte and Humboldt Counties will be exhausted in a relatively short period. We estimate that three of the four major companies that will be affected by the Park will at current cutting rates use up their supply of old growth redwoods, and other species, in about 15 years. Other operations in the area dependent on private timberlands can be sustained at present cutting levels for approximately 17 years. All of this will be true even without the establishment of a Redwood National Park.

This means that unless major adjustments are made now, these mills, the big ones and the small ones, will soon have to adjust their cutting rates significantly downward in line with available supply -- perhaps even go out of business. They will all have to switch to young growth operations. Unfortunately in our judgement the second growth coming along now will not make a significant contribution to the supply problem in the near future.

As a result more operators will turn to National Forest timber, including that on the Northern Redwood Purchase Unit, for timber supplies. The competition for this public timber is going to be intense.

This is not a bright picture. But it is a realistic one that the area's timber industry must face.

Pertinent to the decision of this Committee is the impact the proposed trade-off of the Purchase Unit would have on this picture.

If the Northern Redwood Purchase Unit is allocated among the major companies whose lands are to be purchased for the Park it could go a long way in making them whole -- in replacing the volume and species of timber that would be included in the Park. But at the same time it withdraws that timber from many smaller local timber operators, who now have an opportunity to bid on it, along with the affected operators.

If you adopt compensation-in-kind, you will be singling out, from among all of the area's operators, a few timber operators who will be spared the brunt of the initial impact of Park purchases. You will be helping a selected few large operators weather the inevitable transition period from old growth to young growth operations. We do not believe this is fair public policy.

We are all concerned with the economy of this rural area. Each of us has a basic responsibility to try to plan and develop sound communities in the Nation's rural countryside through wise use of our natural resources.

We firmly believe that the Northern Redwood Purchase Unit can make the greatest contribution to the economy of Del Norte County in the long-run if it is retained as National Forest.

In recent years 16 different operators have bought timber from the Purchase Unit. Under continued National Forest management, it will support a perpetual annual cut of more than 18 million board feet. This harvest level could support 100 year-long jobs on a permanent basis.

These jobs can give reliable support to a like number of families, and to the people who own the businesses providing the goods and services they require. The stability of National Forest ownership and the dependability of a continuing flow of resources is the base that could support judicious economic planning in this area.

Del Norte County's share of timber receipts as a result of this annual harvest has already been \$1.4 million and is likely to exceed \$150 thousand annually. These payments are authorized under the Act of March 1, 1911, which provides that 25 percent of National Forest receipts are to be paid to the States where National Forests are located, to be used by the counties for the purposes of roads and schools.

Proponents of the trade-off have tried to discount the precedent that would be set by transfer of the Purchase Unit. They say this is a special and unique project, and therefore the trade would be an "honorable" exception to a general rule.

Our long experience with the administration of valuable public lands makes us wary of efforts to distinguish one "worthy project" from another. We are fearful and we have reason to believe, that trade-off of the Purchase Unit will be an open invitation for others to demand National Forest lands for compensating private timberland owners whose lands are needed to establish what the sponsors believe are also special and unique Federal projects. Payment-in-kind has already been urged in connection with the Big Thicket National Park in Texas. Some of those who propose a Voyageurs National Park in Minnesota are suggesting a raid on the Superior National Forest, which includes the Boundary Waters Canoe Area, in aid of their project.

The ultimate result of these demands, and possibly countless others, could be a serious fragmentation of the National Forest System, which was set up to hold and always has held public land "in perpetuity."

Some proponents of the trade-off argue that the Purchase Unit is not National Forest, and therefore there would be no precedent set. This is a specious argument. The Purchase Unit is National Forest, established under the Weeks Act of 1911. The Weeks Act expressly provides that "the lands acquired under this Act shall be permanently reserved, held and administered as national forest lands." The Northern Redwood Purchase Unit is an important element of the National Forest System.

It has also been said that trade-off of the Purchase Unit is "essential" to create a Redwood National Park. Some argue that without the trade-off, we will not be able to afford the lands needed for the Park.

If an objective of the trade-off is to reduce cash appropriations necessary to acquire private lands within the Park, this is false economy. As National Forest, the Purchase Unit will more than pay for itself within 30 years.

We estimate the value of the Purchase Unit in a negotiated exchange to be around \$25 million. A conservative estimate of the value of cumulative timber sale receipts at the end of 30 years is over \$40 million. In 50 years it would amount to between four and five times the exchange value -- around \$120 million. And at that time the Purchase Unit itself will still be worth at least \$25 million.

S. 2515 would authorize expenditure of around \$125 million for Park Acquisition -- \$100 million in cash plus the value of the Purchase Unit. Industry representatives estimate the Park would cost more.

The relatively small short term contribution the Purchase Unit can make to total Park costs -- one fifth or less -- is not important enough to forego stable and continuing revenues, or to justify violation of a long-standing conservation principle.

The idea of the "necessity" of the trade-off does not originate with most of those who support establishment of a Redwood National Park. I am sorry to say there are many who will welcome the trade-off as an example and precedent for future claims and actions.

The principal purpose for establishing the National Forest System was to protect these lands and make certain they would not be subject to disposal. The reason was to secure the enduring public benefits from the enormous resource values found in these public lands. When the System was created, the basic and early decision was to set aside these lands for permanent management. The laws establishing the System, including the Weeks Law under which the Purchase Unit was established, command management in perpetuity.

The National Forests derive most of their value from the fact they are part of a permanent system. Their stability assures a continuing flow of all the resource values they have -- both tangible and intangible. Using the National Forests for barter would erode this conservation principle. And the erosion, no matter how slight, would impair the certainty of constant resource benefits. Once erosion of the System starts, where does it stop?

During the consideration of this legislation, some have compared the values of the Northern Redwood Purchase Unit with the Redwood National Park and urged that it would be in the "overall welfare" to use the Purchase Unit to create a Park.

We deplore the efforts of those who are trying to set up the National Forest System against our National Park System and say that one takes precedence over the other. Both National Forests and National Parks derive their public values from their permanence and should remain unviolated. As a Nation we are fortunate that we can afford these permanent public land systems. We are rich enough to maintain both systems. The "overall welfare" is to retain these two strong systems fully intact.

I want to repeat clearly, and unequivocally -- the Department of Agriculture supports the creation of a Redwood National Park.

Our experience in working with the natural beauty of the rural countryside, and with the outstanding scenic and natural areas in our National Forests, and in creating by Executive order and administering 14.5 million acres of National Forest Wilderness, gives us a particularly sympathetic understanding of the qualities of these magnificent and ancient trees.

We believe that preservation of substantial additional areas of outstanding primeval coastal redwoods should be a priority national objective. The time to do this is now.

We also believe that maintenance of the integrity of the National Forest System is an equally important conservation goal. This goal we trust will also guide you as you consider the issues to be resolved along the way to creating a Redwood National Park.

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U.S. Department of Agriculture
Office of the Secretary

First, I want to extend greetings from President Johnson, one of our fellow hunger-fighters, a man who has done more than any other single person to focus world wide attention on the challenge of hunger.

The President sends his appreciation and best wishes to the American Freedom from Hunger Foundation and to all who have enlisted in the War on Hunger, on whatever front.

I am going to open my remarks with an observation made by Secretary General U Thant of the United Nations. I don't always agree with the Secretary General's observations but this one does have particular meaning for any group dedicated to freeing mankind from hunger.

"The truth," he said, "the central stupendous truth about the developed countries today is that they can have -- in anything but the shortest run -- the kind and scale of resources they decide to have It is no longer resources that limit decisions. It is the decision that makes the resources. This is the fundamental revolutionary change -- perhaps the most revolutionary mankind has ever known."

Address by Secretary of Agriculture Orville L. Freeman at a dinner of the American Freedom from Hunger Foundation, Inc., at 7 p.m., May 21, 1968, in the Shoreham Hotel, Washington, D. C.

I agree with the Secretary General. And yet there are in this world today two billion hungry or mal-nourished people, including, it has been estimated although no one really knows, 10 million in the United States of America.

This paradox of hunger amidst plenty, of hunger in a world where nations representing one-third of the population can literally make the resources they decide to have, and can direct the use of these resources as they decide to use them, is why the American Freedom from Hunger Foundation came into existence and continues the fight to win the War on Hunger.

It is the Foundation's primary mission to stimulate Nations to make the decisions that must be made to fill the empty stomachs that sap the strength and kill the potential of human beings around the globe.

I can think of no finer endeavor, no greater challenge.

It is a grim fact that the scope of hunger's challenge is outlined sharply tonight only a few blocks south of here, in Resurrection City, where 3,000 men, women and children are camped -- in the Capital City of the richest Nation on Earth. They dramatize the bedrock cause of hunger: Poverty.

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The anomaly of hunger as a companion of abundance, of a world with unused capacity and unmet need, led me to take the job as Secretary of Agriculture more than seven years ago.

Since that day, I think I have learned some things about hunger that I would like to share with you for a few minutes this evening.

The one thing that stands out above all others is that hunger is not a problem by itself, capable of a separate solution -- it is part of the problem of poverty. And this is as true in India or Africa or South America as it is in West Potomac Park.

We can -- and we should -- treat the symptoms of hunger with doses of food, as much as we can and wherever we can, but that won't remove the cause. We cannot defeat hunger by concentrating only on food; our concern must be for more than calories, proteins and vitamins. We have got to close the gap, or at least narrow the gap, between the well-to-do and the poor, here in the United States and all over the world.

The President's Science Advisory Committee's Panel on the World's Food Supply put it this way:

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"The Panel is convinced from its study of the world food problem that food shortages and high rates of population growth in the developing countries are not primary problems. Rather, they are manifestations of a more fundamental difficulty, lagging economic development in the hungry countries."

Had the panel addressed itself to hunger in the United States as well, it would have added "and lagging economic development in certain areas of certain counties" -- no jobs to enable men to earn the income they need to feed themselves and their families.

It is a matter of deep concern to every thinking, sensitive person that bodies are stunted, minds are dwarfed and energy is dulled for lack of food or the right kinds of food, and that this takes place not only in the teeming cities of India or the jungles of South America, but right here in our own country.

But this does not suggest to me that we abandon the War on Hunger overseas to concentrate on fighting hunger at home.

This is one world, like it or not. And while our democracy and our prosperity are not stable when we have pockets of hunger and poverty in the midst of abundance in our own country, neither are they secure when there are vast areas of hunger in the rest of the world.

So we must redouble our efforts, we must fight on the whole front, and take as our goal "freedom from hunger," period.

However, to attack hunger in the United States takes a different course than in the less developed countries.

Hunger in most countries overseas is rooted in an inability to produce enough food, and in an under-developed national economy that can't provide the money to buy the food.

Hunger in the United States is a manifestation of poverty among persons outside the mainstream of the most vigorous economy the world has ever known, an economy based on the most productive agriculture the world has ever known.

There is no relationship between acreages and yields and babies not having enough food in Mississippi or New York or Chicago, as there is in India.

American commercial agriculture has advanced to production heights that produce more than enough food for use at home and at the same time large amounts for distribution around the world -- and it has done so within the framework of commodity programs designed to tune production to demand, to provide food abundantly and at the same time protect its producers by ensuring that commercial agriculture does not smother in its own abundance.

You cannot kill the goose and expect it to continue laying golden eggs.

Those who would fight poverty by attacking farm programs are misguided.

To end farm programs would create more poverty and more hunger.

If commodity programs were terminated, efficient commercial family farmers would be trapped in a jungle of over-production. Those who lacked the financial power to hang on would be driven off the land by the thousands, perhaps hundreds of thousands, leaving it in monopoly hands. Likewise, the small farmer subsisting near the poverty level would have what income he has cut sharply. The result would be more farmers in the unemployment lines of the cities and towns and a sharp increase in the cost of food to everyone.

We will not eliminate hunger in this country by tinkering with the machinery of agriculture. We will eliminate hunger in three ways. First, by resolving to devise the best way to do it, then by being prepared to spend whatever money is necessary, to get the food -- of which we have more than enough, thanks to American agriculture -- to those who need it, and finally by doing it systematically and efficiently.

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We, in the Department of Agriculture, have made progress during the years of the '60s in our efforts to feed the hungry, in the face of widespread indifference and sometimes active opposition.

The concept of family food assistance programs has been shifted from distributing a few surplus food items, acquired principally to bolster farm income, to increasing food buying power with food stamps; and from supplementing diets to providing more nearly adequate diets.

We have changed our approach in the administration of these programs from a passive offering of food to state and local governments for distribution to one of actively encouraging them to participate, and of telling them that if they won't do it, we will.

In 1960, the USDA offered five food items -- lard, rice, flour, dry milk and cornmeal -- worth about \$2.20 per month per person, retail value, for distribution to families. These commodities reached about 3.5 million persons in 1,200 counties and areas that were willing to participate.

By the end of this fiscal year, we expect 3.6 million persons to be receiving 16 commodities under the same program, and 2.5 million more will be receiving Food Stamps with which to get more food, a total of 6.1 million in some 2,400 counties receiving USDA food aid of some kind.

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The objective of child feeding programs has been broadened from the narrow view of providing school lunches to include school breakfasts and child care activities outside the schools.

Under the Child Nutrition Program, an estimated 405 million free or reduced price school lunches are being served this year, compared with 286 million four years ago.

Breakfasts were served to 80,000 children in 752 schools last fiscal year and to an estimated 155,000 in 1,000 schools this year. We hope to reach 290,000 children next year.

But what we have done is clearly not enough, and I will tell you very frankly that we will not be able to do enough to meet the needs of the hungry here in the United States with the resources that have so far been made available to us.

But merely feeding the hungry is not facing up to the basic problem: poverty and its degradations, economic and social.

Hunger for pride, hunger for knowledge, hunger for jobs is just as real as belly hunger, and, in the long run, it is more important.

For until we have given our poor the chance for self-respect, which means the chance for education and for jobs with which to buy their own food, we have not done much to advance the ideals of equality, of human dignity, upon which this society was founded.

And we will not have solved the problem of hunger.

Despite the progress made in the war against poverty -- and it has been substantial -- I do not believe that we are yet prepared as a people to go all the way -- to do what must be done -- to abolish poverty and thereby remove the spectre of hunger.

We are not prepared, in my opinion, because we do not -- or will not -- understand the magnitude of the economic and social changes that have altered this Nation in the last 25 years and that are continuing and accelerating.

We can't -- or won't -- get it through our heads that the people displaced, left behind and ignored in the production revolution in industry, business and agriculture are a social cost of this revolution.

I am here to tell you that one way or another we must pay this cost.

But we do have a choice. We can continue to pay it, as we have this spring and in a few summers past, in the flames of riot with a growing threat to our basic institutions and free way of life. Or we can pay it the way it ought to be paid. We can reach out -- as a Nation and as individuals -- reach out to our fellow citizens and say, "We are going to see to it that you have a chance at this abundance that so many of us take for granted; we want to help you to get into the mainstream of this economy, and of this life, so you can feed yourselves and your families, so you can satisfy the hunger for knowledge, pride and jobs."

If we take this course -- and to me there really is no other -- we must understand that it requires an imaginative, expensive, massive effort far beyond what we have so far been willing to do. Truly the times call for the barn-raising spirit of another era applied on a national scale, where everybody pitches in to do the task at hand.

Government can lead, it can provide some tools, but that is all. The job must be done in each community, by members of each community -- unfortunately there is poverty enough for all.

The industrialist deciding where to put his plant must add human beings to the location factors of transportation, communications, water, taxes, terrain.

The housewife must shift her concern from the neighborhood fund drive to the people it is designed to serve -- who are they? Where are they? What can I do, not what can the fund do.

The school board, the teacher, must befriend the dropout, bring him back.

Every individual and every institution with a stake in this society must be willing to accept a stake in solving its problems.

Remember this: So long as one of us in America is denied his dignity by forces that we can control, the dignity of the rest of us is that much less.

And remember this, too: There is no question but that we can provide the food, and the education, the training and the jobs. As Vice President Humphrey said the other day, a Nation that can put a man on the moon ought to be able to put a man on his feet.

We can do it -- if we will. And that is the only way we can banish hunger from this land of plenty.

The hunger problem in less favored lands is fundamentally the same, and just as crucial, but it is considerably more massive. Instead of bringing a relatively small, scattered segment of the population into a prosperous, expanding economy, entire national economies must be given momentum and huge masses of people given a leg up the ladder out of misery and poverty. This is a formidable challenge indeed, involving, as it does, some two-thirds of the world's people.

Most of you are aware of these needs and of the size of the challenge or you would not be at this Freedom from Hunger meeting, so I need not recite further the grim challenge.

Yet, as I am sure Bill Gaud will tell you, there is clear evidence that our efforts -- those of government, private business and foundations such as Freedom from Hunger -- have brought us to the point where the prospect of eliminating world hunger is brighter, in my opinion, than ever before.

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There are hopeful signs. And now, when there is more reason than ever before to hope that the War on Hunger can be won, we must push forward harder than ever before to take advantage of the breakthrough that may be in the making.

This is no time to pull out -- to turn away from our commitment to help hungry nations to help themselves.

As some of you know, I have a book coming out next month called "World without Hunger." I wrote this book because I believed when I started it that such a world is possible.

And I believe it more today than I did when I started to write. The task will not be easy. It will take men and women like those here, with skill, energy, will and vision; it will take governments of Nations developed and developing, and their farmers and industrialists and businessmen, determined to move forward, and wise enough to take advantage of new opportunities.

But a world without hunger can be achieved; and it must be a world without hunger -- nothing less will do. Only then can we have a world truly at peace, and only then will we have the peace of mind that comes from knowing that we have done the best we can with what we have.

We have so much -- let us resolve to use it.

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Statement by the Honorable Orville L. Freeman
Secretary of Agriculture
before the
House Committee on Education and Labor
9:45 AM, EDT, Wednesday, May 22, 1968

Mr. Chairman, Members of the Committee:

Thank you for this opportunity to appear before you on the problem of hunger and malnutrition in the United States.

There is no other single subject that has occupied more of my time -- gained more of my personal commitment -- than this. Last summer, appearing before a Senate Subcommittee on this subject, I said that the United States possesses all the physical resources necessary to insure that every person has the opportunity for a nutritious diet, and that all that is necessary is to use these resources efficiently and humanely.

I also pointed out, however, that in order to complete the task of reaching the hungry, we had to know more than the fact that there were still hungry people -- that we had to thoroughly understand the tools at hand -- the resources, organization and techniques -- and the difficulties to be overcome to complete the job.

Today, since I am not often privileged to appear before this committee, I would both describe these tools and examine some of the difficulties that stand in our path.

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The Bill you are considering to establish a Commission on Malnutrition is commendable, as a symbol of the awakening realization that there is still hunger and malnutrition in this, the richest Nation on earth.

No one should underestimate the importance of this increasing public awareness. Time and time again in the past seven-and-a-half years, as those of us in the Congress and the Executive waged what was often a lonely battle to gain the legislative tools and the money to attack hunger, we fought against a backdrop of public indifference and just plain disbelief that hunger existed.

Time and time again, when the poor cried for a full loaf of bread, they were forced to settle for half because the public support to fund anti-hunger programs was weak or non-existent. This era is passing and, despite the bruises some of us have suffered in recent days and weeks, I am glad for I believe its passing will allow us to get on with the great work that has been begun over the past seven-and-a-half years.

In the span of this decade of the sixties:

* The concept of family food assistance programs has shifted from distributing a few surplus food items to increasing food purchasing power and improving nutrition through the use of food stamps; from supplementing the families' food supply to providing a fully adequate diet.

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* The administration of these food assistance efforts has changed from a passive offering to State and local government -- "food is available if you are willing to distribute it" -- to active encouragement, and the promise that Federal authority will intervene, if necessary, to make food available to families.

* The concept of child feeding programs has been enlarged from the narrow view of providing school lunches, to include school breakfasts and now, feeding programs for child care activities outside the school system. Other programs are now targeted for schools in low-income areas.

These advances can be charted in legislative action. But they also must be measured in the context of victories -- and battles yet to be won -- to overcome the indifference, active opposition, and lack of public confidence that affect the level of funds and the degree of State and local support necessary to transform legal authority into calories and protein.

Family Food Assistance

In 1960, the USDA offered only five food items worth \$2.20 per month per person for distribution to families -- lard, rice, flour, nonfat dry milk, and cornmeal. About 1,200 counties and areas distributed these foods, and average participation that year was 3.5 million persons.

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President Kennedy's first executive order in 1961 doubled the number of commodities and the amount of food for the program. But we knew a better program was needed -- one that would provide a variety of food, including perishables, not possible through direct distribution; one that would utilize the highly-efficient private marketing system, rather than duplicating it with a government system.

And so by executive order, in 1961 I began a pilot food stamp program in eight areas. This pilot effort had grown to cover 43 areas by 1964 when President Johnson requested the Congress to pass the Food Stamp Act as a permanent program to combat hunger.

In the next four years, the Food Stamp Program increased 20-fold in the number of areas covered, and participation increased six times over.

Currently, family food assistance programs are now available -- or shortly will be -- in 2,400 counties and will serve about 6.1 million persons.

Both programs operate on the basic premise that their administration rests on a cooperative federal-state-local structure. In the case of the commodity distribution program, there is no specific Congressional mandate for this procedure; it has developed this way over the past three decades. However, the Food Stamp Act spells out in detail the responsibility of State and local governments, and thus limits the power of the Federal government to operate the Food Stamp Program directly.

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The second basic premise is the Food Stamp Program will replace the Commodity Distribution Program. Stamps provide the low-income family with the means for a wider and more varied selection of diet. It also utilizes the most efficient food distribution system in the world -- our marketing complex -- rather than imposing a Governmental system over the highly efficient commercial system.

These two premises have meant that the problems of providing needy people with food assistance are basically different for each program.

In the case of food stamps, one critical problem has been to overcome a general public attitude that a stamp program is unworkable. This view developed from the experiences with the pre-World War II Food Stamp Program which started in 1939 and was quietly shelved in 1943 when many thought high employment during the war years eliminated its need. That program was administratively cumbersome. It came under severe attack because it was ponderous, and because adequate procedures had not been developed to prevent large-scale conversion of stamps to cash. But even with all of its problems, the program did serve a peak of some 4 million persons in 1941.

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When the need for the program appeared to vanish, all that remained were the memories of the difficulties in operating the program. In 1960, these memories were very strong, and still persist today. The House Appropriations Subcommittee on Agriculture this year has directed that a portion of the funds to finance the Food Stamp Program should be withheld until a number of deficiencies in the program operation are corrected -- deficiencies which the USDA uncovered itself and which are being corrected.

The program since 1961 has been uniquely successful; there has been no major scandal in its operation because of the strong supervisory, audit and investigatory program which the USDA has carried out. It is our most popular, and most sought-after food assistance program; there have always been more counties requesting the program than funds will cover.

With the success of the Food Stamp Program reflecting strong administrative control, a number of steps were taken in 1967 to improve the program and extend its coverage. The purchase requirement for the poorest of the poor was reduced from \$2 a month per person to 50 cents, with a maximum of \$3 per family regardless of size; the purchase requirement for new participants in their first month was cut in half, recognizing the difficulty of putting enough cash together in the same month that past grocery bills had to be paid; and persons from low income neighborhoods were hired as program aides to work with low income families to explain the program and to create a communication link between these families and local welfare workers.

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As a result of these efforts, and an intensified outreach effort through community action agencies, USDA Technical Action Panels and other groups, participation in the Food Stamp program has increased sharply. In the current fiscal year, the budget for financing the bonus -- on the average, \$6 in additional stamps for every \$10 spent by participants -- was based on an expected increase of 15 percent in areas operating prior to July 1, 1967. However, by February, 1968, participation in the "old" areas had increased 22 percent. The result was a budget squeeze which could have amounted to a \$14 million deficit. Prompt action to delay the start of number of programs by two months, cutting administrative costs to the bone and extending some into the next fiscal year, using emergency authority available under other legislation and seeking standby authority to cover additional deficits, will enable the program to continue. The other option would be to reduce the level of bonus payments to present participants as the Food Stamp Act provides.

The suspicions about the program have not altogether been overcome, however. In 1964, when the Food Stamp Act was passed, a three-year authorization cleared the House of Representatives by a 229 to 189 margin. In 1967, when the legislation was renewed for another two years, a crippling amendment to require States to pay 20 percent of the cost -- which would have eliminated those States where the program is needed the most -- was defeated by a close 18 vote margin.

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Commodity Distribution

While the Commodity Distribution Program is to be replaced by Food Stamps, if and when the funds are provided, it can be used to fill the gap in food assistance until that time. Currently, 16 commodities are being made available. They are:

Dried beans	Corn grits	Chopped meat	Raisins
Bulgur	Instant mashed potatoes	Nonfat dry milk	Shortening/lard
Butter/margarine	Cornmeal	Peanut butter	Rolled wheat/oats
Cheese	Flour	Dried split peas	Rice

The major problem with the Commodity Distribution Program is to obtain wider use among those counties and areas which do not now provide a food assistance program.

In order to encourage local governments to use the program -- since there is no authority to force them to participate -- the USDA in July 1967 offered a target group of 331 counties the funds necessary to pay local administrative costs. These are the counties among the 1,000 with the lowest per capita income not having a food assistance program as of mid-year 1967. Since that time, over 242 of these counties have started or will start a food assistance program -- either commodity distribution or food stamps.

If after repeated efforts by Federal and State officials to get a county to start a program, local officials refuse to do so, the USDA will operate a commodity distribution program independently of the local government until it is willing to assume this responsibility. We have done this in 2 counties so far.

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Child Feeding Programs

The dramatic changes in the family food assistance programs have been accompanied by as dramatic -- and substantial -- changes in the programs to improve nutrition of children. These include authority for;

* Special financial assistance to schools in low-income areas -- rural and urban -- to help them give free or reduced-price lunches to needy children. Over the years, some 10 percent of all children taking part in the school lunch program received free or reduced-price lunches. This year we have raised that to about 13 percent -- to about $2\frac{1}{2}$ million children.

* For school breakfasts, focusing on schools in low-income areas and those attended by children traveling long distances. Under the pilot breakfast activity this year, we have been able to reach some 150,000 youngsters, largely from poor homes.

* Financial assistance to schools in low-income areas to buy facilities and equipment needed to start or expand a school feeding program.

* Financial assistance to States to help pay the added administrative costs of new child feeding programs.

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* Lunch programs in child care centers operating outside the school system.

The only action programs to help child nutrition available in 1960 were the National School Lunch Program, and the Special Milk Program which was started in 1954 as a dairy price-support measure, and was in fact financed through the Commodity Credit Corporation.

The National School Lunch Act of 1946 directs that meals will be served "without cost or at reduced price to children who are determined by local school authorities to be unable to pay the full cost."

This program, as with the family food assistance programs, operates through a Federal-State-local system. Its administration is the immediate responsibility of State governments, usually the education agency, which provides assistance to local school districts to establish school lunch programs based on need and attendance. Need, in this case, has been interpreted in the broad sense ... that is, taking into account all students.

In addition, the Act requires that States match the Federal cash contribution -- currently about 4.5 cents per meal in cash and 8 cents in commodities. However, the law has been interpreted, with legislative history by the Congress concurring, that the child's payment for this lunch will be considered as the State's matching contribution. Only a few States assist local school lunch programs financially.

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At the present time, the School Lunch Program is available in schools attended by 38 million children, of whom about 20 million are estimated to participate daily. The program is not available where about 9 million children participate.

The cost of a lunch today averages between 50 and 55 cents, and the average charge per child is about 28 cents. The difference is made up from the Federal contribution and local funds -- except in the few instances where State funds are made available.

In 1962, after we tried without much success to get the States to do more to bring school lunches to children whose parents could not afford the cost of a lunch, the Administration asked the Congress for authority to provide additional funds to help feed needy children. The Congress amended the School Lunch Act, adding Section 11, to give this authority, and also spelled out criteria for the Department to follow in apportioning Section 11 funds among the States.

During the next three years the Department's request for funds to operate Section 11 were rejected by the Congress. In 1966, after the appropriation bill was amended in the Senate, limited funds became available to carry out the authority provided in 1962.

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The next major expansion of the programs for child feeding came in 1966 when we proposed legislation for school breakfasts, authority to assist hard-pressed schools to acquire lunch equipment, provisions for lunches for children in activities outside the school, and authority to help pay State administrative costs of these expanded programs.

The Congress enacted most of these proposals in the Child Nutrition Act of 1966, except for the program to help feed children in activities outside the school. This provision was enacted two years later, in the current session of the Congress, when the Senate adopted a House bill over the objection of the Senate Agriculture Committee.

Our problem has been getting the money appropriated. Here are some figures showing the amounts of money we requested for the new child nutrition programs, and the amounts appropriated for fiscal years 1968 and 1967.

Fiscal Year	Breakfast Program	Nonfood Assistance	State Admin. Expense	Special Assistance, (Sec. 11 NSLA)
(million dollars)				
<u>1968</u>				
Requested	\$6.5	\$6.0	\$2.3	\$10.0
Appropriated	3.5	.75	0	5.0
<u>1967</u>				
Requested	\$3.0	\$1.0	\$1.0	\$10.5
Appropriated	2.0	.75	0	2.0

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For fiscal 1969, the House has approved appropriations of about the same amounts as in fiscal 1968. We have asked for funds twice these amounts.

Section 32

Section 32 was one of several tools authorized by the Congress to increase the income of American farmers. As originally enacted and since amended, it is a farm price support program with special emphasis on perishable, non-basic commodities. Its use to feed the poor, historically, has been only supplemental to its primary thrust of strengthening farm income.

The Department's activities under Section 32 are subject to close and continuing Congressional scrutiny to make certain that funds always will be available to meet emergencies caused by surpluses and low farm prices for particular commodities.

Section 32 funds are earmarked from year to year without further Congressional action; however actual expenditure of these funds is subject to Congressional and budgetary limitations, just as are expenditures of other funds by the Department.

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Gradually, however, Section 32 has taken on a collateral and supplemental role of providing food for hungry people.

It is interesting to note that Section 32 has been the birthplace of all major food assistance programs. The School Lunch Program began here, as did the prototype of the present Food Stamp Program, established by Executive Order in 1961. The Special milk Program also originated under Section 32. These programs are now funded as regular appropriation items, although Congress will from time to time transfer Section 32 funds to the School Lunch Program.

It has become clear, over the years, that the Direct Distribution Program, through which much of the Section 32 purchases are funneled, has several drawbacks as a means to feed the poor.

Frequently there is only one distribution point provided by the county administrators. Individuals must move heavy loads of food -- sometimes weighing 100 pounds or more -- from distribution points to their homes. The variety of foods is sharply limited. Perishables, for example, cannot be distributed because there are no refrigeration facilities at most distribution points.

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The direct distribution program duplicates the commercial system of food distribution, and individuals have no choice as to the foods they receive.

Food Stamps have been developed as a concessional food program designed to overcome these difficulties. It helps farm income by increasing overall demand, but its primary thrust is feeding needy people a varied diet, rather than enhancing farm income.

Conclusion

There we have the tools, techniques -- and problems -- of the Federal food assistance programs.

Obviously, with more money we could do more. Right now we are stretched to the very limit of our budget -- our available manpower -- and our legal authority to carry on these programs. We have requested additional funds, and are seeking new authority to reach out to those people who cannot be reached today.

It is, indeed, *ironic* that, despite the tremendous progress made in the past seven years -- despite the often lonely battles we've waged, -- it is the U.S. Department of Agriculture that is severely criticized in public print and in Congressional and non-Government reports for allegedly callous indifference to the plight of the poor.

If we are to close the nutrition gap, we must continue to knock down the walls of public indifference, to gain widespread public recognition of the full range of needs and priorities of the poor. We must obtain more funds and additional legislation to meet the needs and priorities which cannot presently be met.

Finally, we need to conduct an educational program that is geared to respond to all ranges of intensity of the problem. This program must devote greater efforts to reach children. Good nutrition must become as much a part of their lives as reading, writing and arithmetic, for it directly affects their ability and potential to learn -- to earn -- and to maintain good health.

At the same time, such a program must use all the techniques of communications at our command today. It must be geared to reach the middle class that lacks motivation and is complacent. It must make direct contact with low-income families who lack the knowledge, resources and capacity to select, purchase and prepare adequate diets.

In short, we as a Nation must take a brand new look at nutrition.

I do not anticipate that our task will be easy. Yet, I am encouraged by the emergence of a consensus -- as well as a national commitment -- that there shall be no hunger or malnutrition among our people.

We in the U. S. Department of Agriculture share the consensus, and the commitment.

Office of the Secretary of Agriculture

When Bill Wirtz so considerately invited me to talk to you today, I accepted with an alacrity that belied the current moratorium on political campaigning by Cabinet members.

If there's one thing I'd rather talk to labor editors about than politics, it's agriculture.

This doesn't mean I wouldn't want to talk politics today. I would. As an old campaigner myself, I find myself champing at the bit every time the bugle heralds an election year.

I used to hold elective office, you know ... until something funny happened to me on my way to a fourth term as Governor. Maybe I got as complacent and self-satisfied as the county commissioner they tell about back home in Minnesota.

This fellow hit the re-election campaign trail one fall and took his little boy along for company.

"Now son," he said, "I'm going to take you around the county today and show you just how much the people love your old dad. Why there isn't a single one of my constituents who doesn't think I'm just about the greatest county commissioner who ever lived. I'd be surprised if my opponent got a single vote.

Address by Secretary of Agriculture Orville L. Freeman before the Secretary of Labor's Conference for Labor Editors, Statler-Hilton Hotel, Washington, D. C., 10 a.m. (EDT) Monday, May 27, 1968.

Well, the very first farm house they came to they were met at the fence gate by a farmer brandishing a shotgun.

"Get off my property, you rotten, no-good, lyin' snake!" the farmer shouted.

The candidate and his little boy jumped into their car and burned rubber for half a mile.

"Gee Pop," the little boy said after he caught his breath, "I thought you said everybody in the county was going to vote for you."

"Now don't jump to conclusions, son," the candidate said, "Him we put down as doubtful."

I always hesitate to tell that story because I like politicians, and I don't like to portray them as smug and stupid. I'd rather talk about the candidate whose ringing oratory filled the meeting hall until a listener jumped up in the back row and shouted:

"You big windbag, I wouldn't vote for you if you were St. Peter!"

To which the candidate blandly replied:

"If I were St. Peter, you couldn't vote for me because you wouldn't be living in my district."

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So much for politics. Let me only add this: In my opinion, the President's request that members of his official family refrain from active campaigning is entirely consistent with his desire for national unity in this delicate time of peace negotiations. I think his request is as justified as it is wise, and I will abide by it.

So today I've come here to talk to you who represent organized labor to talk about farm bargaining power. I think this is an appropriate subject, because labor has a great deal at stake in the outcome of the farmer's quest for any legitimate means to increase his income and his purchasing power.

The idea of farm bargaining power is certainly not new. But as I have said many times -- and particularly within the past year -- it is an idea whose time has come.

What brought this about? Why do I feel that it is of crucial importance that Congress acts this year on farm bargaining power?

The whole answer to those questions would have to read like a history of the development of American agriculture, and I don't intend to make such a presentation today. Instead, I would like to briefly summarize the farmer's position today, and to tell you why we need action to strengthen his position in the economic order.

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There was a time when the family farm was an almost entirely self-sufficient entity. The farmer bought very few of the necessary production inputs; he grew them or built them himself. The farmer and his family provided most of the required labor.

Capital investment was neither as essential -- nor as costly -- as it is today. And the market for farm products consisted of many small units, both buyers and sellers, and the forces of supply and demand were able to operate in a relatively open fashion.

But all this has changed. Today's farmer spends 80 percent of his total market receipts to buy production inputs, to hire labor, and to pay interest on increasingly essential capital.

American agriculture today represents one of the largest single markets in the Nation for tires, trucks and gasoline.

Farmers annually spend about \$3.5 billion for new farm tractors and other motor vehicles, machinery and equipment -- providing jobs for 120,000 employees.

Each year they buy products containing about 5 million tons of steel and 320 million pounds of rubber -- enough to put tires on 6 million cars. They use more petroleum than any other single industry -- and more electricity than all the people and all the industries in Chicago, Detroit, Boston, Baltimore, Houston, and Washington, D.C., combined.

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Farm exports are now the equivalent of one out of four U.S. harvested acres. They provide a million jobs in such fields as the manufacture of machinery and fertilizer, the transportation industry, and storage, packaging and processing. And I might point out that they also bring back to this country many of the dollars that move out because of defense and aid, tourism and U.S. investment abroad.

The development of the agri-chemical industry in the past quarter-century has been phenomenal. Agriculture has already entered the computer-and-automation age with other industries. And as science and technology progress, not even our best crystal-ball gazers can foresee how much more of the industrial output of labor American agriculture will be buying in the years to come.

But all of these production inputs cost the farmer, and increases in those costs mean that many food products must cost more when they leave the farm as well as when they are sold in the supermarket. And the marketing channels are becoming more abbreviated and direct. Farmers increasingly are finding themselves face to face with fewer and fewer and larger and larger buying markets, with bargaining power superior to theirs.

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Yet in spite of these dramatic changes in agriculture, the American worker still spends for food a smaller portion of every dollar in his pay envelope than any other worker in the world.

With the human and technological resources this country has, there is no reason why this should not continue to be the case.

But just how long can the American farmer be expected to feed and clothe the nation at the low price levels he receives when his production -- and his living -- costs continue to rise?

You may find this hard to believe, but I assure you it is true: Of the total amount of money spent in this country for domestically-produced food each year, the American farmer gets only 5 percent!

And I hope that you realize that farm prices today are more than 6 percent lower than they were 20 years ago! Consider this for a moment. How many other popular products on the market cost less today than they did in 1948?

In a very real sense, the American farmer today finds himself in the situation American labor was in before the Wagner Act.

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Some interesting parallels, historical and organizational, can be drawn between farmers and labor:

1. Some specialty-crop producers, usually limited geographically and in size, roughly correspond to the small craft unions in the days prior to passage of the Wagner Act. With a closely-knit membership, selling crops grown in a particular area, usually limited by climate, these specialty farm cooperatives have succeeded in gaining for their members many of the benefits that the craft unions had for their members even in the 1920's and 1930's.

2. Growers of common, nation-wide products, including livestock, who are relatively unlimited by geography or by climate, roughly correspond to industrial workers in the early thirties. Diversity of interest, the failure to achieve total industry-wide membership in a union, the then-prevalent industry practice of "shipping in" strike-breakers, all hamstrung the organization of industrial unions in the pre-Wagner Act days. The same basic factors hamstring efforts of many farmers today.

As of now, no apparatus exists so that the will of a majority of all growers of a given commodity can prevail. In the event of a "strike" by a portion of the growers of any one commodity, identical produce can quickly be shipped in -- from very far away, if necessary -- to "break the strike" or withholding. And so, for all practical purposes,
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the farmer -- with some special exceptions -- is in much the same spot that industrial workers were in during the pre-Wagner Act era. A proper climate for his organizing efforts has yet to be created.

I told the Senate Agriculture Committee last month that farmers are entitled to and must have a pricing mechanism for farm products which will permit just as rapid a response to changing input costs as industry uses to pass along increased costs. And farmers must have a pricing mechanism which provides price stability and permits more systematic, long-range financial planning. In short, farmers must have bargaining power.

In the past year, we in the U.S. Department of Agriculture have carried on a continuous, intensive series of consultations with each of the national farm organizations, and with a large number of representatives of individual commodities. We have consulted with economists, with lawyers, and others in the private sector of the agri-business community. And we have, of course, consulted with those who have the highest stake of all in whatever results our discussions may produce -- the farmers of this Nation.

Some of the bargaining objectives we see identified by farmers are these:

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They want substantial price enhancement over time. The realization of this objective will require the authorization of some kind of powers to influence market supply.

Farmers seek the coordination of marketing. They seek the organization of farm production and sale to fit more exactly the requirements of markets, as well as farmer participation in the subsequent marketing of their products.

Farmers want increased price stability that would follow more effective organization.

They want a regularizing of trade practices in the transfer of commodities from farmer to buyer to make them more equitable.

And they want more participation in the actions that concern and control their own destinies.

How will the American farmer achieve these goals? How will he acquire this muscle-in-the-marketplace, this long and much discussed -- but as yet unrealized -- farmer bargaining power?

We are not sure we have all the answers, even after a year of examination and discussion. But there are some general principles which have been advanced, and which have been agreed upon generally by farm organizations and individual farmers alike.

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It is generally agreed that any new farm legislation must supplement -- rather than replace -- existing farm commodity programs. There is strong sentiment for keeping the bargaining power that accrues from the Federal programs covering the basic farm commodities -- and these commodities represent 40 percent of the Nation's farm income and affect some 3 million of the Nation's farmers.

It is also generally agreed that any new program must be a farmer's program with an absolute minimum of government involvement or control. It should provide the legal framework and procedural machinery under which farmers themselves can voluntarily organize their affairs, elect their representatives, and use bargaining tools to enhance their position in the marketplace. The role of government should be limited to that of adviser and referee.

And finally, any successful effort to achieve and maintain farmer bargaining power must include some concept of supply control. And let me make it clear that supply control does not necessarily mean production control. It could mean programs to limit the quantity of product going to market within a given period of time, programs such as varying the minimum quality standards for a commodity, diverting some production into secondary marketing channels, storage, and other related marketing devices.

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On February 15, Senator Mondale of Minnesota introduced -- for himself and nine other Senators -- the National Farm Bargaining Act. Today there are 20 co-sponsors. Two identical bills have also been introduced in the House of Representatives.

On April 24, I testified in support of the Mondale bill, before the Senate Committee on Agriculture and Forestry, and urged swift and favorable action on this measure. This bill incorporates many of the ideas for achieving farm bargaining power which have been expressed in our discussions with farmers and farm leaders during the past year; it provides for the two basic and essential tools of bargaining -- authority for group bargaining over the various terms of trade, including price; and authority for producers to set up and carry out a marketwide supply program.

Title I of the National Farm Bargaining Act would go a long way toward alleviating the problems of organization which have in the past all but stymied any effective action in the field of farm bargaining power. This title would provide for the establishment of a National Agricultural Relations Board, to be appointed by the President with Senate confirmation. The Board would function in a capacity similar to that of the National Labor Relations Board in labor-management negotiations.

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It would supervise the election of producer committees for any commodity groups that wanted to use such bargaining authority. After a committee was formed by a majority of producers, it would bargain with a handler committee and reach agreement upon a minimum price and other non-price terms of sale that would then be made effective throughout the entire commodity market. The producer committee would also be given authority to set up, if necessary, a market-wide marketing and production allotment program. Provisions would be made for the representation of consumer interests in the price negotiations. A Joint Settlement Committee would be provided to handle price negotiation disputes between producer and handler committees.

Title II of the proposed legislation would achieve essentially the same bargaining power results, again through a producer-designed and producer-operated program. But under this title, authority for bargaining would be provided by broad amendments to the Agricultural Marketing Agreement Act of 1937. This is the enabling legislation under which Federal marketing agreement and order programs are operated.

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The amendments would make any agricultural commodity or product eligible for regulation under a Federal marketing order (except canned or frozen products) if producers decide they want marketing order regulation. The proposed amendments would also authorize -- through bargaining provisions -- establishment of minimum prices and other terms and conditions under which handlers could acquire a regulated commodity from producers.

The use of producer marketing allotments would be provided for any commodity, if producers approved. No action taken under the proposed legislation could supersede or be inconsistent with existing market supply or price support programs.

Whatever would be accomplished under the marketing order program would be entirely up to farmers. They would propose the programs and put them into effect by referendum. The legislation is strictly permissive, to be used only if farmers want to take advantage of it.

As I stated in my testimony before the Senate Agriculture Committee, Title I of the proposed legislation is new, and based on the hearing record, is clearly more controversial. Title II, on the other hand, would expand an already tested producer-oriented statute which has the benefit of thirty years of court decisions and administrative precedents to guide its operation.

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Today, Federal marketing agreements and orders are being used by farmers to market virtually the entire commercial supply of fresh citrus fruits. A variety of other fruits, vegetables, nuts, and specialty crops are also covered. Last year, farmers marketed an estimated \$1½ billion worth of these crops under 49 agreement and order programs.

Growers and producers have designed their own order programs with cooperation and guidance from the USDA. These orders were issued only after a thorough investigation of market conditions in the order area, and only after public hearings at which producers, growers, handlers, allied interests, and the general public had an opportunity to express their views on the orders. The orders all had to be approved by the growers and producers who are regulated.

The basic marketing agreement and order authority contained in the Agricultural Marketing Agreement Act provides for quality and quantity controls, for research to expand markets, and for advertising and promotion. The increased scope provided by the proposed amendments would make them even more flexible.

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With the broad base of actual operating experience under Federal marketing agreements and orders on the one hand, and the indications of the more controversial nature of the National Agricultural Relations Board on the other, I have recommended that the Senate Committee take prompt and favorable action on Title II of the National Farm Bargaining Act in the interest of saving time. I also pointed out to the committee that it may well be that experience in developing farm bargaining power will call for some of the features of Title I.

Time will tell what final action the Congress will take, but I believe it is of crucial importance that Congress provide the American farmer with bargaining power -- and provide it this year.

It has been thoroughly discussed. Methods of achieving it have been carefully examined. It is an idea whose time has at long last come.

I appreciate having had the opportunity to meet with you today, and, on behalf of American farmers, let me say that we will appreciate your help in achieving the bargaining power that labor gained 35 years ago. I know how important editorial support can be in this cause, because historically it has been important to every just cause.

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History tells us there was an editor along on the exodus from Egypt, and that he was there when Moses was confronted by the Red Sea.

Seeking a way out of his dilemma, Moses called together his advisors and said: "Can you fellows figure out how we can get across this ocean before the Egyptians catch up to us?"

Turning to his lawyer, he said: "How about you? Got any ideas?"

"Well," the lawyer said, "give me a few weeks to look up legal precedent?"

"How about you?" Moses asked his chief engineer.

"I'll need a few months to make a survey and a cost analysis study," the engineer replied.

In exasperation, Moses turned to the editor.

"How do we get across this water?" he demanded.

"I haven't the slightest idea," the editor replied. "But if you can pull it off, I'll guarantee you a hundred column inches in the Old Testament."

I'm not asking for that, gentlemen ... 50 column inches of support from each one of you will be more than welcome.

Thank you.

U.S. Department of Agriculture
Office of the Secretary

"The other day, at a dinner, the lady next to me dropped something. I stooped down to pick it up, but my host said, 'Don't bother. It's only a piece of bread.'"

I remember these as the closing sentences of a magazine article I came across about three years ago.

"Only a piece of bread!" The words are striking because at that time the world was facing an intensifying food crisis -- a crisis which caused some to predict widespread famine in the years ahead, and which caused many others to emphasize the need for a major effort to avoid such famine.

I was impressed with the terrible irony of the times. For nearly 5 years one of my greatest concerns had been to unlock the stranglehold of agricultural surpluses, particularly grain surpluses, on the American farmer's throat. To most of us in the United States a slice of bread was close to worthless, costing less than a penny. But to millions of other people the quest for a piece of bread, or its equivalent in rice, was literally their dominant occupation.

Address by Secretary of Agriculture Orville L. Freeman at a luncheon meeting of the Chicago Council on Foreign Relations at 12:15 p.m., May 29, in the Sheraton-Blackstone Hotel, Chicago, Illinois.

The thought struck me: "What a changed world this would be if, some day, all over the earth men, women and children were able to say as we can, 'It's only a piece of bread.'" "What would it mean," I thought, "in terms of human progress? What would it do to ease world tensions? What would be its effect on world peace?"

World peace. It was the overriding issue when I was reading that magazine article three years ago; it is the overriding issue as I stand here today, and it will continue to be the overriding issue until it is achieved.

But what is it, really? What do we mean by peace? Is it a negative thing -- the absence of war? If so, it will always be fragile, prone to break under any stress.

This is the concept of peace expressed in the Security Council of the United Nations. Its purpose is peace keeping -- its aim, to resolve issues between nations and thus prevent wars.

To me, peace is much more than this. It must be a dynamic, growing thing. A negative, stagnant peace contains festering sores -- poverty, hunger, injustice, repression -- which will, in the end, destroy it.

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Only as we keep hope alive by moving ahead to meet the expectations of people all over the world for a better life will we have a firm rather than a fragile peace.

Dr. Sarvepalli Radhakrishnan, former president of India, once put it this way: "Those in want," he said, "are prepared today to fight the established order with raw courage that is born of desperation, with no other weapon than mere readiness to die."

We are, I think, beginning to understand that -- both in terms of the people of this Nation and of the world -- and it is long past time.

The record since World War II actually shows very little genuine commitment to agricultural development as a force for peace. The Marshall Plan, a brilliantly conceived and successfully executed economic development program, was primarily oriented toward the recovery of developed nations that had been ravaged by war.

It was not geared for the scores of countries which had nothing to recover to.

Food and agriculture were neglected by the great powers as well as by the developing countries.

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In our own country, the ability of the American farmer to produce abundantly resulted in so-called "burdensome surpluses." And our efforts to dispose of these surpluses in world markets helped to conceal the developing world food crisis.

There were warning signals. In the late 1950s some economists pointed out that the flow of grain in world trade had been reversed since World War II. South-East Asia and Latin America had become net importers rather than exporters of food.

We welcomed this as an expansion of world markets for American agriculture, and continued to send food to under-developed countries, feeding the hungry today with not enough thought for their tomorrow.

We were transfixed by our own farm surpluses, and our emphasis was on supplying food to meet a current need, rather than on food and agriculture as a factor in the economic development necessary to insure that food would be available in the future.

And the ranks of the hungry increased.

The irony I mentioned in my opening remarks -- the irony of hunger in a world of unused capacity -- was driven home forcefully to me first hand on a trip around the world in the summer of 1961, shortly after I was appointed Secretary of Agriculture.

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The poverty, hunger and despair in so much of the world, contrasted with abundance in much of the rest of it, had led me to take the job as Secretary of Agriculture. I wanted to help.

When I saw it first hand, I was reconfirmed and rededicated in the determination that hunger must be conquered.

But how? What was the magnitude of the problem? The gaps in our knowledge of the world food situation in 1961 were appalling.

We didn't know if the food aid we had been providing to people in hungry nations was doing any more than keeping them alive.

We didn't know how effective our technical assistance and economic aid programs were -- or if they were effective at all.

We knew how much food was shipped in world trade; we knew our own production and that of other developed countries, but we knew next to nothing about production and consumption in Asia, Africa and Latin America -- where most of the hungry lived.

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Before we could move intelligently against hunger, we had to know what we were up against. So we set to work in the Department of Agriculture to find out about world food needs, how could they be accurately measured, what were future prospects, what were the countries we were helping doing to help themselves, what kind of programs would be most effective in helping to eliminate hunger, for all time? These and other questions cried out for answers.

From the resulting studies, we developed a world food budget, a comprehensive summary of the current world food situation and projected food needs. At last we had a realistic picture of the magnitude of the problem.

In the study process, the dimensions of the challenge became more precise -- and more awesome. We could not ignore the fact that two-thirds of the world's people live in countries with national average diets that are clearly nutritionally inadequate;

That diet-deficit areas include all of Asia except Japan and Israel, all of Africa but the southern tip, the northern part of South America, almost all of Central America and the Caribbean;

That the greatest population growth was occurring in these food-short regions;

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That food production in these countries had barely been able to keep ahead of this growth, and that there were no signs to indicate significant improvement in the future.

To the contrary, it was clear that the world food situation was deteriorating. India, for example, had signed a Title I Public Law 480 agreement in 1960, providing for shipment of 16 million tons of wheat over a 4-year period, implicit recognition of a continuing food deficit and a continuing inability to buy food through regular commercial channels.

Turkey in the early 1950s had been producing, with Marshall Plan aid, enough wheat to feed herself and export wheat to Europe. But by 1957 Turkey was importing wheat under Title I of P.L. 480, and the concessional imports were increasing each year.

Clearly, we were feeding hungry people, but just as clearly we were not helping them to feed themselves. We discovered that, while our generous policy of food aid, with no strings and little thought for local action, had relieved suffering for hundreds of millions of people, keeping many of them alive in more than 100 countries, it was not solving the world food problem.

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As the basic facts became clear it was quickly evident that the solution could only be found within the hungry countries themselves. Their own agriculture and their own economies had to be the key to closing the food gap.

This was the ultimate truth in the War on Hunger: Hunger is not a separate problem, capable of solution by itself. Rather it is a manifestation of poverty, which must be eliminated if we are to eliminate hunger.

The challenge became clear: To feed the hungry, as many of them as we can, wherever we can, to keep them from starving, but at the same time to give them a lift up the ladder of economic development.

And the basic economic boost nearly everywhere must come from agriculture. In the absence of agricultural development, there won't be any really significant economic development.

Such a statement may sound a little dogmatic, but the record clearly shows that we tried industrially-oriented, prestige aid projects in the '50s and early '60s and it didn't work.

The new steel mill, and the new factory are dramatic, but they aren't going anywhere if a subsistence agriculture robs industry of the labor, capital and market base it must have to expand.

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When we had learned this lesson -- and the fight against hunger has been a continuous learning process -- when we had learned that agriculture must be the launching pad for real development, we shifted our emphasis in Agency for International Development and in P.L. 480. Self help became the Keystone of Food for Freedom.

We increasingly directed our food aid and technical assistance toward curing the basic problems that held back agricultural production, and we required from the recipient countries a real effort to strengthen their own agriculture.

This new emphasis did not automatically solve the problem. In many developing countries, the excitement and prestige of industry continued to fascinate Ministers of Finance, while Ministers of Agriculture remained low men on the budget totem. Public opinion was seldom behind agricultural development.

So the struggle went on to highlight the problem, to focus opinion on the importance of the task, we in the Department of Agriculture repeatedly called attention to the threat that if historic trends continued and if the United States had to continue to fight the War on Hunger alone, there would come a time when our resources would be exhausted and the world would face mass famine.

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It was clear right along that neither assumption needed to be true. So we set out to get more of the developed countries to enlist in the cause, and persuaded developing countries that self-help in agriculture was the key to their development and in the long run the only way to avoid famine.

We have succeeded, I think, in focusing the attention of the world, and of the nations developed and developing, on the gravity of the world food problem and how the war on hunger can be won.

In the United States, the new emphasis on agriculture development in the recipient countries culminated when Congress wrote specific self-help criteria into the 1966 Food for Freedom legislation.

Now we extend agricultural commodity aid only after firm agreement that the receiving governments foster agricultural programs that will prevent hunger and promote economic development. As a result, today there is a definite commitment by most Asian governments to agricultural development programs.

They agree to meet priority agricultural needs, to increase fertilizer use, improve irrigation facilities and farmer credit, provide roads for farmers to move their produce, establish adequate price supports.

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And at long last they are recognizing the importance of price. Price is the one factor without which fertilizer, irrigation and farm-to-market roads are so much wasted endeavor. I have talked to many farmers around the world who can't read, but I've never met one yet who can't count.

If a farmer does not get a price for his produce that makes it both possible and worthwhile to invest in the techniques that make production gains possible, he is not going to do it. Why should he? And this is just as true in the United States as it is anywhere else.

Farm prices have improved in Asia. In part this is a result of food scarcity, but it also reflects abandonment by country after country of the self-defeating cheap food policies which kept farm output low.

The recognition of price and the understanding of the vital part agriculture plays in economic development are hopeful signs in the war on hunger, but one more breakthrough has occurred in recent years that can make this hope a reality. I am referring to new technology in the form of high-yielding varieties of wheat, rice, corn and sorghum -- in effect a breakthrough in tropical agriculture.

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High yielding varieties of wheat, developed by the Rockefeller Foundation in Mexico, are proving adaptable across Asia as far north as Turkey and as far south as India. They are beginning to be planted in North Africa.

High yielding tropical rice developed at the International Rice Research Institute in the Philippines is another, more recent, addition to the new varieties.

We estimate that in Turkey, India, Pakistan and the Philippines this crop year close to 20 million acres was planted to these high yielding grains. That is well over 5 percent of the total grain land in these countries. Next year, it is confidently predicted the new varieties will be used on 30 to 40 million acres.

The impact of these new grains -- which double, triple and even quadruple yield -- goes beyond crop yields. They alter basic farm practices; they increase demand for fertilizer, pesticides, tillage machinery, pumps, engines, wells, and for such things as transistor radios and motor-bikes, by farmers able for the first time to buy them with profits from increased production. They can become powerful engines of change in national economies in the less developed countries.

I am convinced that this new technology has opened the door to a world without hunger, a world of peace.

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But -- and this is very important -- while the door may be opened, we are a long, long way from going inside. Thirty million acres of a high-yielding variety will not go far toward feeding more than 2 billion hungry people. Vast areas of hunger remain untouched by the new technology, and they will remain so unless we are determined that they, too, deserve a chance at what has been called "the green revolution."

If we fail to continue and to increase our help, we will have lost a great opportunity to launch a major initiative in the war on hunger; we will have failed the cause of peace.

That is why I propose in my book World Without Hunger, to be published in a few days, that the United States establish a goal to commit 1.5 percent of its national income yearly to development abroad, to be reached progressively over a 10-year period, with emphasis on technical assistance and food production, and that a crash program be launched to train young people for service in the developing countries as professional agriculturists.

Money can be soundly spent, actions firmly taken and laws carried out only by people -- people with dedication and training.

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Trained young people, committed to the War on Hunger, can make a decisive contribution to increasing food production, and I propose that the government finance such training for qualified volunteers who agree to serve overseas in agricultural development for at least two years.

Our immediate goal should be to achieve a total flow of resources, government and private, of 1 percent of our national income. This would mean an annual increase of \$2 billion over the present rate.

As soon as this goal is achieved, and when sound plans have been made to encourage more self help, the level should be raised to 1.5 percent of our national income. One percent should come from government and the remainder from private investments.

It is no exaggeration to say that the fate of mankind hinges on what private enterprises in the developed countries do in the developing areas of the world in the next few years.

I can't emphasize too strongly the part that business and industry must play in this new initiative in the War on Hunger.

The door, as I said, is now wide open. We have demonstrated what can be done.

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Now the logistics of development call for thousands of fertilizer plants, pesticide plants, storage houses, processing plants, factories, supermarkets, most of which should be privately owned.

Private industry has the technical and managerial ability to tackle a job of this size. But for private industry a basic question must be asked: "Would it be profitable for my company to change its policy and allocate a significantly larger share of our resources to the poor countries?"

My answer is an emphatic "Yes! If the green revolution can be spread widely in those countries which have experienced a population explosion, the world will experience a market explosion. It will make what the Western World has experienced since World War II look like small potatoes. The businessman today has the greatest opportunity in history to do well by doing good.

To build world peace, we need aid and trade, foreign private investment, self help, and, above all, a price system which provides a fair return to everyone -- from the peasant cultivator to the international corporation.

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We, more than any other nation, have sparked the revolution of rising expectations throughout today's world. And we, perhaps more than any other nation, hold the key to the future of that revolution. What we do without food abundance and our technical skills will in a large measure determine whether these expectations will be met, or whether they will remain as festering sores of a stagnant, fragile peace.

Let me emphasize in closing that these expectations must be met for all human beings before we can have true peace. That means we must direct our attention to the poor both at home and abroad.

We must act, and act now, to meet the problem of the hungry and the poor in our own country, and that means giving individuals a leg up the ladder of economic development as well as entire nations.

I, perhaps more than most of you, are familiar with their plight -- I have met with some of the Poor People and with the leaders of their campaign; they are camped a half-mile from my office -- and I understand the massive, expensive effort that must be made if we are to bring them into the mainstream of our abundant economy, if we are to give them the chance for human dignity to which they are entitled under the principles upon which this Nation was founded.

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But I do not agree with those who are saying we should abandon the war on hunger overseas to concentrate on fighting hunger at home. I say let's fight on the whole front.

The recent breakthrough in tropical agriculture holds great promise. We must make sure that promise is realized.

Our democracy and prosperity are not stable when we have pockets of poverty and hunger at home, but neither are they secure when there are vast areas of hunger in the rest of the world.

And don't tell me we haven't got the money to make this double-edged fight. We've all seen the power boats, sail boats and yachts moored on the Potomac River; and in the Chicago harbor. I've fought bumper-to-stern car and boat-trailer traffic for 200 miles on weekend trips in my home state of Minnesota. I know that you're looked upon as primitive man in the suburbs if you have only one car in the garage, so I know that we can, as a Nation and as individuals, afford to do what must be done to have an entire world without hunger, an entire world at peace.

We have the resources; we have the know-how.
Why then don't we do it?

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For the first time in human history, we can say that a world without hunger is truly possible. The potential is there, sprung from the research labs of tropical agriculture; the blueprint is there, sketched in years of trial and error; and the momentum is growing -- I saw it last April in the Office of Rural Development in Korea and the paddies of Taiwan.

This generation has an opportunity afforded no other -- that of freeing the world from want, of ending mankind's hunger.

I pray that we have the courage, the will, and the determination to seize this opportunity. If we don't, there may never be another.



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Revolution and utopias are, perhaps, unlikely subjects for a Secretary of Agriculture to discuss with a group of high level, practical industrialists and community leaders such as yourselves, but nevertheless this is what I would discuss with you today.

Dennis Gabor once said that "We cannot predict the future, but we can invent it," and sociologist Wilbert Moore observed that "revolutions thrive on utopian images, and without such images they will fail."

Surely a small group of colonists, met in Philadelphia almost 200 years ago, literally invented a future for a Nation now 200 million strong. And just as surely these men were utopians.

They were not content, these men, with those who believed -- and they were numerous, then as now -- that not much could be done to change things; that human beings were, after all, shaped by impersonal events, rather than masters of their destiny; that we lived in the best of all possible worlds, and that we should avoid rocking the boat. They didn't believe this. Instead they set out consciously to create a future, to invent one.

Remarks by Secretary of Agriculture Orville L. Freeman at the Governor's Conference on Industrial Development, West Virginia University, Morgantown, West Virginia, 12:30 PM, EDT, Wednesday, June 5, 1968.

The revolution they launched in blood and fire took many directions, some -- if not most of them -- unseen by its progenitors. It rolled over the Appalachians, the old Northwest, across the Rockies and, finally, spread around the world. It spawned universal suffrage, near-universal ownership of land, free education for all and a glittering material wealth that is the envy of the world.

The men that set it in motion were utopians indeed -- in the best sense of that often mis-used word. They had, if you will, a vision, a dream, that guided them across three thousand miles of wilderness and fortified them when -- more than once -- the fate of their union hung by a fragile thread.

We dare not forget today -- in the words of our 35th President -- that we are the heirs of that first revolution ... for it continues even at this hour.

There are many who would forget. There are many who have forgotten the dream, who believe that we have lost the ability, as a people, to shape our own future to our own ends.

I often run into this feeling in travels around the country when I speak on the specific subject that brings me here today, rural industrialization, and the larger question of rural/urban balance.

Jim Rouse, the developer of the new town of Columbia, Maryland, summed it up pretty well when, at a symposium on rural/urban balance in Washington last December, he said ...

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"We talk in terms 'of the need for,' and not 'how to do it.' There is missing from the American mentality, attitude and spirit the conviction that we will transform (America) the conviction that we have the capacity, the resources, and determination to do it -- and that we will, not in 100 years or 50 years or in 40 years, but in a decade."

This is the sort of roadblock mentality that we have to overcome if we are ever to have an America where people -- and the jobs, education and cultural facilities to support them -- are widely available throughout America, rather than limited to a few teeming, impacted, polluted metropolitan areas ringing the Great Lakes and the Atlantic and Pacific Coasts.

So I plead guilty to coining the phrase "Rural-Urban Balance." It is an imperfect phrase, but the best one I could come up with to describe the paradox I see in crowding some 140 million people into less than two percent of the continental land mass, the American condition today, and basing all our public and private decisions on the assumption that another 80 million will be crowded into the same area by the turn of the century.

If this happens -- and it surely will if we become slaves to the trend line, basing our plans on the probable, rather than the desirable -- we will enter the next century with greatly exacerbated problems left over from this century, rather than arriving at solutions. The consequences to the American Dream -- the completion of the American Revolution that even now is sweeping the world, 200 years later -- are too horrendous to contemplate.

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And so I believe in what John Fischer wrote in Harper's earlier this year ...

"It may be a time when we find a new national purpose: to resettle the deserted hinterland, to discover ways of moving people and jobs away from megalopolis before it becomes both uninhabitable and ungovernable. It may be a period when we invent new ways to govern the modern state, as we invented the machinery for settling and governing an empty continent 200 years ago."

Now, if this sounds utopian to you, reflect for a moment on your reactions to a hypothetical Secretary of Agriculture who stood before you on a warm June day back in 1945, and said something like this:

- "In the next 20 years we're going to shift 20 million people out of the country and into the city;
- "In the process, 3 million farms will disappear;
- "And a third of the cities' original population will migrate and settle in the suburbs."

Yet this is what actually did happen. But for this army of migrants, there were no reception centers; no basic training; no aid stations for the casualties; no GI bill to enable the veterans of the migration to enter the mainstream of American life.

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A generation passed, and more; a generation that had firsthand experience with the cockroach and the rat -- but had never, many of them, seen a butterfly; whose view was bounded by garbage cans and concrete; but who had never seen a tree or an open field.

... Who had lost, most damning of all, that one item that made the hardships of an earlier frontier bearable ... hope.

The migration has slowed, but it is by no means over. Rural minority group members double their population every generation. The agricultural revolution continues unabated, the latest example being the mechanical tobacco harvester which may soon be in wide use in the southeastern states.

And so a few years back those of us who were concerned about this problem were talking in the somewhat nebulous terms of general rural development.

We tried to interest local leaders in coordinated action for rural community improvement. Legislation was enacted to help provide more profitable farming, more business and industrial job opportunities in rural America, better job training for rural youth and underemployed adults ... better housing and modern water and disposal facilities in rural communities.

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Then we began thinking more and more of regional development -- the harnessing and improvement of all the resources of a region or area comprising a number of counties, much as has been done here in West Virginia.

We began to talk in terms of Town and Country USA -- the concept of a rural region as a basic economic unit built around one or more fully planned new cities, or growing population centers that would offer the residents in a multi-county area all the best features of urban and rural life combined.

You have an example of this in the southern part of the state, Fairdale, West Virginia. It's now in the developmental stage but, as planned, illustrates many of the concepts of interlocking rural communities. A New Town, it's some 15 miles from a larger established town, Beckley, with a population of 22,000 or so. Beckley will provide some medical and other services not available in the New Town. Fairdale, planned for 1,000 homes, will have its own shopping center, schools and many other facilities. Midway between Beckley and Fairdale is a new, 2½ million dollar recreation complex -- one of rural America's "growth" industries -- built through local and federal cooperation. Jobs are provided by two coal mines in the area.

Fairdale is not yet a reality, but other new towns scattered across the country are, and they are an important part of any viable plan for rural/urban balance.

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Plans are not enough, however. We must now begin to look more closely at the problems and to recognize the pitfalls and obstacles that will confront us in seeking to create an America in balance.

First, let us recognize that there is no special value in stopping the movement to the cities unless we are able to improve life in the countryside. Nor is there any real hope of stopping this migration except by creating opportunities in the country so that people will decide to stay there, and that people in the cities will want to go there. We must, in short, reverse what Barbara Ward calls the "sucking pull" of the city -- replacing it by a pull to town and country.

Second, let us beware lest the effort to revitalize rural America become a contest for funds and other resources, a city versus country confrontation. For if such a contest were to develop, rural America would lose -- if for no other reason than because it is overwhelmingly outnumbered. But what is more important, in such a contest both sides would lose in the long run.

In other words, let us recognize that we will never achieve true and permanent urban renewal unless we also achieve rural revitalization. These are not two separate problems. They are two sides of the same problem. Rural revitalization and urban renewal, therefore, must be viewed as a two-front attack on the one problem of rural-urban balance.

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In this context I recall a February Wall Street Journal article headlined, "Migration of Jobless to Detroit Appears to Peril Antiriot Plan."

"A massive industry effort to help avert future riots in Detroit appears to be backfiring as hundreds -- possibly thousands -- of unemployed persons from out of the state come to the city seeking work.

"The result: Some out-of-staters have failed to get a job, swelling the unemployment that many believe contributed to last July's riot.

"Others have snapped up jobs that might have gone to the city's own ... hardcore unemployed."

What this means is that the Nation can never really solve the congestion, crime, poverty, unemployment, and soaring welfare costs of the cities so long as the countryside continues to pour in a flood of ill-trained and poorly-educated rural dropouts.

Let us recognize further that rural development can ease urban pressures, but it cannot resolve the cities' difficulties.

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Rural development alone will not prevent industry from contaminating our streams and lakes with industrial waste. Rural development alone will not keep millions of motorcars from poisoning the air. Rural development can make it easier to cope with these problems, but we will never solve them until we attack them at their roots.

Rural development alone will not solve the national poverty problem. It will help by providing more job opportunities in rural communities and by providing better training and education for farm and rural youth. A new rural plant cannot employ the untrained, the illiterate, the victims of the poverty culture, unless they are trained. Nor can it help the victims of racial injustice by its mere being, unless the root cause of discrimination is corrected. These problems must be attacked wherever they exist, in the cities as well as in the countryside.

Yet an essential part of the rural renaissance involves new rural industry. We want to see factories, stores, and business establishments of all kinds scattered throughout rural America -- bringing more jobs, better income, and greater economic opportunity.

There is impressive evidence that this is already happening. The rate of gain in industrial employment from 1959 to 1962, in the Standard Metropolitan Statistical Areas -- the large cities -- was 1.4 percent.

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In that same period, rural areas had a gain of eight-tenths of one percent, and small town areas -- those with population centers between 2,500 and 5,000 -- grew at a rate of only one-half of one percent.

During the past seven years, however, partly because of efforts made by business and community leaders like yourselves, this picture has been drastically changed. Almost half of the "million dollar" plants opened last year were outside the large metropolitan areas.

From 1962 to 1966, the industrial employment rate tripled in the urban areas, but went up nearly eight times over the base period in rural areas, to 6.2 percent -- and up eleven times in the small town areas -- to 5.5 percent.

I want to help this trend along, as a frank advocate of Town and Country America as a site for industries.

We do not urge industry to move plants -- for moving employment simply shifts jobs around, nor are we advocates of any particular community or state -- we like them all.

But we do offer assistance in making information on rural communities available to you through our Rural Community Development Service in the Department.

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We invite industry to examine our Plant Location Center in the Department, which contains a wealth of information from rural communities and state development bodies, information that can help firms make decisions on location sites. We invite you community leaders to help us make our files as complete as possible by submitting information on your areas.

You in local government and business realize, far better than most, that while new industry brings new economic life to a community, it also brings a need for new and expanded services.

A sizeable new plant coming into a rural community creates a need for housing which may be improperly filled -- creates a need for water which the existing system may be unable to provide -- creates a need for schools and teachers, for taxes and management capacities which the community may find difficult to meet.

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So we must be prepared -- and this means preparing now -- to manage rural development, and manage it better than we have thus far done for urban development.

It is by no means inconceivable that unless we plan properly -- and plan now -- we could wind up with many of the same stresses and strains in our small communities that we now face in our large urban centers -- mini-slums, micro-congestion, the same overcrowding of recreation areas, the industrial water pollution, the same air pollution, the same blight, the same ghettos that now plague New York, Chicago, Washington, Los Angeles, and other large cities. Meeting these problems is extremely difficult.

As a former Governor, I have some acquaintance -- and the political abrasions to prove it -- with the complexities of state and local governments -- outdated state and local institutions, obsolete governmental organization and procedures, the duplication of powers, conflicting jurisdictions, and inadequate tax bases. These conditions can handcuff communities and keep them from the kind of Town and Country environment which we would like to see develop in rural America.

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Our planning for the future must not be bound by obsolescence whether in government organization and practices or in the social and economic order. In a world where scientific knowledge is doubling every decade, and the pace of change seems also to double every decade, we cannot afford to be hide-bound in our concepts or our processes, federal, state, or local.

The challenges confronting local and state governments today require a high degree of skill, training, experience, and dedication. Persons of this caliber are not likely to be attracted by the low salaries, lack of merit systems, and absence of challenge prevailing in many local governments.

If I seem to place a great amount of emphasis on this matter of quality in local government, it is for a reason:

After eight years on the federal level -- six before that in state government -- I am not so naive to believe that the problem of rural/urban balance can be solved from the banks of the Potomac. We can provide the loans and grants to build rural housing -- and community facilities -- and funds for planning and a great deal more help for communities that want it.

But we can't instill in a community and its leaders the desire for rational growth. We can't -- nor should we be able to -- force an area to plan for multi-county development, making full use of its combined resources. This has to come from local leadership, just as a desire to achieve real rural/urban balance in this country has to come from the people -- including you in this room -- it can't be imposed on you, nor should it, by government.

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Now let me close by saying this: A few years ago Eric Sevareid wrote an odyssey -- the story of his journey from Velva, North Dakota, across the world. It summed up an era that many of us lived through and Sevareid called it "Not So Wild a Dream."

Perhaps what I have discussed this noon is a dream. But if it is, it is surely not so wild a dream as the vision the founders of this country saw; surely it is less fantastic than the changes most of us have already witnessed in our lifetimes.

I don't think we can afford to dismiss this dream.

For I believe the fragile web that is American civilization -- which after all is a thing of intangibles ... mutual trust ... dedication, if you will, to commonly-shared ideals ... even what Lincoln called the "mystic chords of memory" -- I believe this web is too-fragile a thing to bear the stresses it will be subject if the Nation continues on its present course.

It will rend and tear apart, and the flames that many of us witnessed at first-hand this spring are but a harbinger of worse to come unless drastic, immediate and pervasive changes are made.

And yet this is not the overriding reason that change should be made. Rural/urban balance offers no quick, easy solutions to the alienation, despair, and violence that now infect every one of our major cities.

The reason is much more fundamental than this.

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It is, simply, that what we are building in the great anthill cities is unworthy of us as a people.

Paralysis in local government, confusion in the many-layered state-federal system ... is simply unworthy of a people who devised the most enduring political document in history, the Constitution, and who invented the Land Grant Colleges ... the TVA ... the New Deal and a thousand-and-one other new responses to meet the problems of previous ages.

An American benighted by formless suburban sprawl, cancerous with decaying inner-city ghettos, impacted with too many people in too-little space ... is simply unworthy of a Nation that swept across a wilderness, subdued it and built a civilization on it that has conferred more bounty on more of its people than any other.

An America whose streams are polluted; whose air is befouled, whose vision -- for many, is confined by the ghetto wall ... this kind of an America is simply unworthy of a people who have the technology, the money and the will to send men to the moon.

So let me ask a question of each of you. Is an America built to human scale, human values -- where every American has a choice of where he would raise his family ... where jobs, first class housing, education and public facilities are evenly distributed over the land, is this kind of America possible?

Is this so wild a dream?

I hope, and I pray, it is not.

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U.S. Department of Agriculture
Office of the Secretary

I appreciate the opportunity to take part in this Conference on U.S. Trade Policy. As your theme indicates, we do indeed face a trade policy crisis.

My brief remarks this morning will center around three points:

1. The exceptional progress that has been made in expanding our agricultural exports.

2. The existence of a growing protectionist sentiment which threatens to block further expansion of exports and could even lead to a decline.

3. What I believe we can and should do to meet this threat.

The value of our agricultural exports climbed from \$4.5 billion in fiscal year 1960 to a new record of \$6.8 billion in fiscal year 1967 -- a gain of over 50 percent. Exports are continuing at a high level in the current fiscal year.

Address by Secretary of Agriculture Orville L. Freeman at Conference on U.S. Trade Policy, sponsored by the Committee for a National Trade Policy, Sheraton Park Hotel, Washington, D.C., June 5, 1968, 9:00 a.m.

Most of this gain has been in commercial exports -- or sales for dollars. Between 1960 and 1967, exports for dollars rose from \$3.2 billion to \$5.2 billion -- a jump of over 60 percent.

An expanding foreign market for our farm products helps not only farmers, but labor, industry, and the whole nation. Obviously, farmers benefit from an export market that accounts for one-sixth of their total cash marketings.

But American workers also profit. A few years ago, the Labor Department estimated that besides nearly a million farm workers engaged in producing farm products for export, at least another million worked in agriculture-related jobs -- truckers, railroaders, warehousemen, processors, ginners, stevedores, and merchant seamen.

U. S. industry gains, too. Railroads, truck lines, elevators, processing plants, cotton gins, port facilities, steamship lines, all reap an expansion of business from our farm exports.

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USDA 1811-68

The entire economy benefits from our agricultural exports. Trade in farm products, though it makes up only a little over one-fifth percent of our total exports, accounts for half of our favorable trade balance -- that is, the excess of total merchandise exports over total imports.

Most importantly, we're getting valuable balance-of-payments help. In the seven calendar years 1961-1967, farm product shipments brought back to the United States a total of almost \$33 billion. Without these exports our payments deficit -- incurred by overseas expenditures for goods, services, travel, investment, and military and economic aid -- would have been \$33 billion larger during these seven years.

What is back of the progress we have made? I think two factors have been particularly important.

First, we have had an aggressive market development program.

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Our market development program is carried out largely in Western Europe and Japan -- our major dollar markets -- and it is financed with converted currencies obtained under foreign currency sales agreements. In 1967, all of the government's overseas market development expenditures were met with currencies generated by Public Law 480.

More than 60 nonprofit agricultural trade organizations work with the Department, either under continuing agreements or through special arrangements. All the major agricultural export commodities are now represented in the program.

Participating organizations put substantial funds, manpower, and know-how into the program. Government expenditures for market development in 1967 amounted to \$13 million. They were matched by industry contributions of substantially the same amount.

A second major factor has been our continued efforts to improve access for U.S. agricultural products to foreign markets.

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We have gained much by following a liberal trade policy ourselves -- and insisting on reciprocal treatment from our trading partners. This was done through representations to foreign governments and through participation in the Kennedy Round of trade negotiations with other countries and regional groups such as the European Economic Community.

During the past year, for example, the United Kingdom eliminated restrictions on grapefruit. Denmark, Finland, Norway, and France eliminated restrictions on a number of agricultural products, including canned asparagus, canned fruits and vegetables, and pineapple juice. Japan agreed to liberalize quota restrictions on grapefruit, tomato juice, tobacco, and soybean meal beginning January 1, 1968. Canada eliminated a restriction prohibiting imports of fresh fruits and vegetables in three-quarter bushel baskets and will liberalize restrictions on milling by-products.

Additional new trading opportunities for U.S. farmers should result from the reduction of barriers to agricultural trade under the Kennedy Round. On the basis of trade coverage, the United States received concessions from its principal negotiating partners on over \$860 million of agricultural exports, excluding grains.

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This progress is encouraging. We have had access to important foreign markets. We have gained access through our willingness to accept imports -- of agricultural as well as industrial products. Our philosophy has been that trade must move on a two-way street.

The essence of trade it seems to me was never better expressed than by Ben Franklin about 200 years ago. Franklin said:

"In transactions of trade it is not to be supposed that ... what one party gains the other must necessarily lose. ... If A. has more corn than he can consume, but wants cattle; and B. has more cattle, but wants corn; exchange is gain to each."

This is the kind of trade we believe in -- the kind of trade we've been carrying out.

Now, however, it is easy to see storm clouds on the horizon. Healthy two-way trade is being threatened. We are seeing today increasing signs of protectionism in many foreign countries. The European Economic Community has refused to negotiate down the trade restrictive effects of its variable levy system. The various quota proposals now before the Congress show clearly that this country also has a touch of the protectionist virus.

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Clearly, we are at a cross-roads. If we stick to our liberal trade principles, our agricultural exports will continue to expand. But if we turn toward protectionism, we run the risk of eventually seeing a disastrous decline in our farm product export trade.

We cannot have our cake and eat it too. We cannot keep on exporting more and more farm products while cutting down on imports.

The trading world needs to recognize that exchange can be, and should be, "gain to each." In that spirit, our Department people are arguing in all their contacts with foreign officials that the best answer to the growth of protectionism in the United States is for their countries to ease off on their own protectionism. But if we want them to be less protectionist, we've got to ease off on our own protectionism, too. We've got to practice what we preach.

We are the largest agricultural exporter in the world. We have the most to lose in a global protectionist trade war.

Virtually every government uses price and income and other support programs to meet special agricultural problems. We use them too, but cautiously, because they can have severe repercussions on trade.

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We have our support programs. But our system is different from others, in that in many cases we tie payments to acreage reduction. In this manner we prevent price-depressing surpluses. The United States is the only country in the world that has taken on the exceedingly difficult, politically hazardous, yet important task of limiting production. If we didn't do so, there would be a growing world surplus in the grains, cotton, and tobacco with resultant international trade chaos. Yet this major contribution to orderly world trade goes largely unnoticed.

On occasion we have had to use selective import controls. Before instituting controls, however, we apply three pragmatic tests: Is there a clear and present need for additional protection? Does the protective instrument chosen fit the need? Will the benefit to producers outweigh the dollars and cents cost of lost exports?

These were the tests we applied to beef a few years ago and to dairy products last year. In both instances, imports began to flood into the United States. Other importing countries had tight controls on the quantities of beef and dairy products they would accept.

So we became a prime target for beef and dairy suppliers who were trying to work off their surpluses at our expense.

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We took action, not to shut off imports, but to hold imports of beef and dairy products to reasonable levels.

We protected our beef and dairy producers. And we also struck a blow against foreign protectionism, inasmuch as the subsidized imports that we cut off were an outgrowth of protectionist policies. We applied a legal remedy already available to us to solve a specific problem that had developed. We didn't, in a burst of protectionist emotion, put blanket controls on a wide variety of imports that weren't causing us trouble.

Thus far we've been talking about farm products. But everything we've said about selective versus blanket action also applies to industrial products. Protectionism on industrial goods will put a damper on our exports of such goods. And it will also cut into our agricultural exports.

Let's look at Japanese-American trade for a concrete illustration.

Last year Japan bought \$1.8 billion worth of nonagricultural goods from us -- plus \$865 million worth of farm products. Japan was our best single-country cash customer for farm products. On the other hand, we bought some \$3 billion worth of nonagricultural goods from Japan. This was a concrete example of Franklin's point about exchange being "gain to each."

(more)

What would happen if we went protectionist and sharply cut back our buying from Japan? There's no doubt about what would happen. Japanese officials told me only a few weeks ago that they would simply have to reduce their purchases of our goods -- both industrial and agricultural.

What, then, should be our course for the future?

First, we must continue to seek access to foreign markets through a negotiated liberal trade policy. This means resisting protectionism both at home and abroad.

Second, we should continue our efforts to expand exports of specific products through market development programs in the economically advanced regions and countries.

Third, we should continue to help the less developed countries get on their feet economically with a view to their eventually becoming strong and active trading partners. The large populations and undeveloped resources of these countries make them the world's largest potential market. Our surveys offer convincing evidence that as nations advance economically they become active traders. In 1964, for example, countries with an average per capita income of less than \$200 per year bought commercially only 30 cents worth of U.S. farm products per person per year. In contrast, countries with a per capita income of \$600 or more per year bought \$7.88 worth per person -- 26 times as much.

(more)

Fourth, we must not forget about East-West trade possibilities. I think we must do this for both economic and social reasons. We are interested in more sales -- but we are also interested in a better political relationship between East and West. We may not agree entirely with Emerson that, "The greatest meliorator of the world is selfish, huckstering trade," but no one will deny that trade can promote mutual understanding.

Our agricultural exports are making an immense contribution to our balance of payments and our general well-being as a nation.

In addition, these exports and the agriculture that makes them possible exert an immense influence in world affairs.

This influence will grow as world population and incomes rise and demand is strengthened for the food and fiber we can produce with such efficiency.

But trade, ultimately, is the conduit through which the bounty we produce can reach foreign consumers. Fundamental to that trade is the extent to which the world allows comparative advantage to function.

(more)

Only as trade in agricultural and industrial products is allowed to flow in a relatively unrestricted manner will the world's people, including ourselves, share, as they should and must, in all the good things that modern science and technology can make available.





UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, June 5, 1968

McDavid DU 8-4026

Farmer Has Greatest Stake in Liberal Trade Policy, Secretary Freeman Says:

A liberal trade policy is more important to farmers than to any other segment of the U.S. economy, Secretary of Agriculture Orville L. Freeman said today in remarks at a meeting of the Committee for a National Trade Policy.

Secretary Freeman cautioned against the danger of "letting protectionist emotion overrule logic" in approaching international trade. Those who do so, he said, render the country a disservice.

With farmers dependent on exports for a sixth of their cash marketing income, the Secretary said, it is all-important to them that avenues be kept open to a healthy two-way trade.

"If we stick to the liberal trade principles that have been serving us so well," he said "our agricultural exports will continue to expand. But if we turn instead toward protectionism, we run the risk of eventually seeing a disastrous decline in our farm product export trade."

An expanding foreign market, Secretary Freeman said, not only helps farmers, but brings gains to both business and labor. Most important, he said, the nation is getting valuable balance of payments help from agricultural exports -- almost \$33 billion worth in the past seven years.

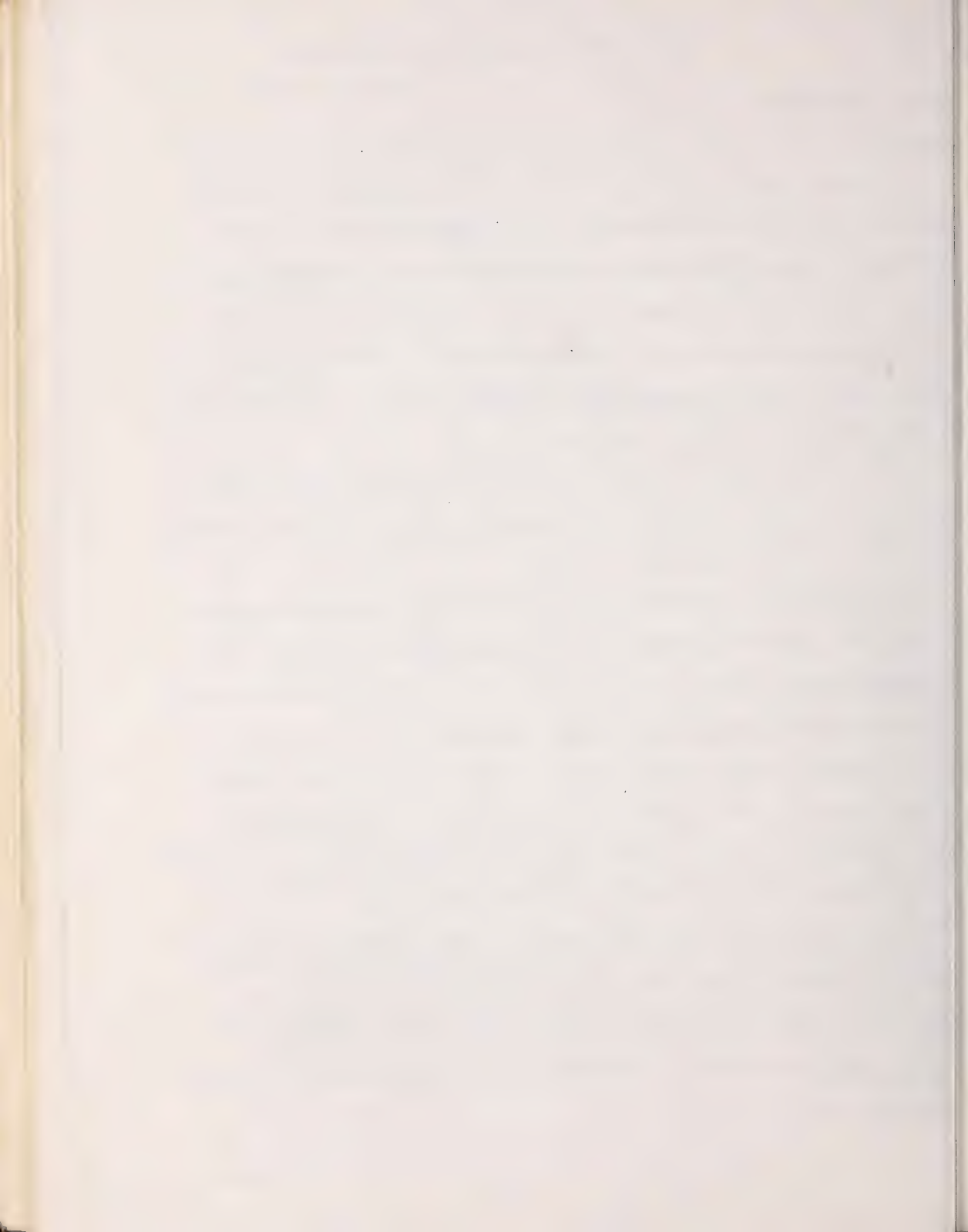
The Secretary urged that import controls, when necessary, be applied on a selective basis, as has been done in the case of beef and dairy products. He cautioned against blanket controls that invite retaliation.

"As the largest agricultural exporter in the world," Secretary Freeman said, "we have the most to lose in a global protectionist trade war."

The committee sponsored a conference on U. S. trade policy at the Sheraton Park Hotel here.

Copy of address attached.

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Statement
of the Secretary of Agriculture, Orville L. Freeman
before the
House Committee on Ways and Means
Public Hearings on Tariff and Trade Proposals
June 10, 1968

Mr. Chairman:

I appreciate this opportunity to discuss with your Committee the very important matter of agricultural exports and imports. I use the words "exports" and "imports" to emphasize the point that both are components of "trade"--that both are essential to trade.

What has been happening in our agricultural trade?

We have been making exceptional progress in expanding agricultural exports.

Our total agricultural shipments have risen from \$4.5 billion in fiscal year 1960 to a new record of \$6.8 billion in fiscal year 1967. Exports are continuing at a high level in this current fiscal year that ends June 30.

We also have been making important gains in our commercial exports -- the part we sell for dollars. Between 1960 and 1967, exports for dollars climbed from \$3.2 billion to \$5.2 billion--a gain of over 60 percent.

All this is very encouraging. Yet, when I look down the road, I have a feeling that this trade, which means so much to this country, is in danger.

One of the important elements in our favorable export situation to date is the fact that we have had access to important foreign markets. We have gained access through our willingness to accept imports--of agricultural items as well as industrial goods. In other words, we have gained by

allowing trade to move on a two-way street.

Now, however, that healthy two-way trade is being threatened. We are seeing today increasing signs of protectionism in many foreign countries. The various quota proposals now before the Congress show clearly that this country also has a touch of the protectionist virus. This worries me.

I think we are at a cross-roads. If we stick to sound trade principles that have been serving us so well, our agricultural exports will continue to expand. But if we turn instead toward protectionism, we run the risk of eventually seeing a disastrous decline in our farm product export trade.

It was George Santayana, the American philosopher, who said, "Those who do not remember the past are condemned to relive it."

We tried agricultural protectionism once.

It didn't work.

There's no reason to believe that it will work today.

Our flirtation with protectionism began back in the early 1920's, when farm prices took a drop of unprecedented severity.

"Increase tariffs!" That was one of the first farm relief measures suggested. The reasoning went this way: Our farmers are getting ruinous prices. If we keep out foreign-produced commodities, we will ease the pressure on prices. With the pressure off, prices should rise; at least, they shouldn't go much lower.

Sounds familiar, doesn't it?

If special measures had been taken to increase exports instead of curtailing imports, I think prices might have improved. But nobody seemed to have thought about that at the time. The protectionists won out. Tariffs

were pushed up and up during the 1920's, and reached a peak with the Tariff Act of 1930--usually referred to as the Smoot-Hawley Act.

What many economists feared would happen did happen.

Our high tariffs brought retaliation. Actually they brought over-retaliation. One observer said at the time, "The battlements of the European fortresses make our tariff embankments look like the work of schoolboys on a holiday afternoon." At any rate, they were battlements that our farm products couldn't get over.

In 1931-34, when the Smoot-Hawley Act was in effect, our agricultural exports dropped to an average of about \$800 million, as compared with shipments worth \$1.8 billion the preceding four years--a drop of 56 percent.

It has taken us almost 35 years to shake off the effects of the Smoot-Hawley Act. But we have done it through liberalizing tariff legislation and active participation in the General Agreement on Tariffs and Trade.

Do we want to turn the clock back to 1930 and start the whole process all over again?

I don't think we do.

Under our present system, the nation as a whole is getting some very important benefits from the agricultural export program.

Right at the top of the list is the extremely valuable contribution of agricultural exports to our critical balance of payments. Our dollar exports of farm products the past four years have exceeded the dollar value of imports by an average of over \$765 million annually. That represents very sharp improvement. In 1960-62, agricultural exports for dollars ran behind imports by an average of \$300 million a year.

Our exports are benefiting a lot of people in export-related industries. I'm thinking now about the thousands of workers and businessmen in such enterprises as handling, transporting, warehousing, processing, packaging, freight forwarding, insuring, financing, and many others. For these people, expanding exports bring assurance of continued jobs and profits.

For farmers, however, a continuing climb in agricultural exports is all-important. Without export dollars, farmers' incomes would suffer severely.

In 1967 about 70 million acres were harvested for export--about 1 out of every 4 harvested. That area was equal to the total harvested crop acreage of Ohio, Indiana, Illinois, Kentucky, Tennessee, Missouri, Arkansas, and Louisiana.

For several major commodities, including milled rice, cotton, and wheat, exports exceed 40 percent of the value of farm sales. On an overall basis, exports account for 16 cents out of every dollar the farmer receives in cash marketings.

Considering only competitive products, the export picture is even brighter. Last year, against record dollar sales of \$5.2 billion, we imported about \$2.7 billion worth of products that compete with our agriculture--items such as meat, wool, dairy products, and sugar. In other words, for every 50 cents we spent on competitive agricultural imports, we exported \$1 worth of our own goods. That's profitable business. I think we want to keep it that way.

A few people, however, think it's possible for us to have our cake and eat it too; that is, to keep exporting more and more farm products while cutting down on imports.

Often I hear the argument that "We're too preoccupied with exports. Why worry about 'em. The foreigners have to buy from us; they need our products."

That's bad reasoning. Foreign countries need imports, but they don't necessarily need ours. There are very few of our farm products that other countries can't produce themselves, or buy elsewhere, or do without if they really have to. These are natural tendencies that we must work constantly to overcome.

I want to emphasize that word "work." Nothing in the trade area--and few things in any other area--come easily. In the seven years that I have been Secretary of Agriculture I have found that two policies must be followed if we are to keep the export trend headed upward. First, we've got to keep continuous pressure on foreign countries to give our farm products access to their markets--which means, in turn, giving them a whack at ours. Second, it means investment of money and effort in promoting our products in countries where we've gained access.

We have gained much by following a liberal trade policy ourselves--and insisting on reciprocal treatment from our trading partners. We obviously have had access to numerous markets for numerous products in the past. Otherwise, we wouldn't have been able to push commercial agricultural exports upward from \$3.2 billion in 1960 to a record \$5.2 billion in 1967.

U. S. agriculture made progress under the Trade Expansion Act of 1962. We didn't get all we asked for in the Kennedy Round, but still we got quite a bit. Concessions were granted on some \$860 million worth of farm products, including soybeans, meats, tallow, tobacco, fruits, and vegetables. Another

outgrowth of the Kennedy Round, the International Grains Arrangement, will provide U. S. wheat producers with additional insurance against falling prices and returns. The proposed establishment under the Arrangement of a 3-year food-aid program, supported by importing and exporting nations, should mean some U. S. commercial wheat sales that otherwise wouldn't be made.

The Department of Agriculture supports the proposed Trade Expansion Act of 1968. It would provide trade negotiating authority we have lacked since the 1962 act expired, and its assistance provisions would facilitate adjustment of firms or groups of workers to increased import competition. But of special interest to U. S. agriculture is the provision having to do with the Kennedy Round supplementary agreement generally known as the "American Selling Price Package". U. S. agriculture will benefit immediately if this agreement becomes effective. Its implementation will mean a 25 percent reduction in the preference that tobacco from Commonwealth sources now enjoys in the United Kingdom; and it also would mean elimination of the Swiss restriction on imports of certain canned fruits.

But despite progress already made toward trade liberalization, or in prospect, there is still an undercurrent of protectionism in world trade, as I mentioned earlier. We detect it abroad. Our trading partners detect it here.

What the trading world needs most is a policy of live and let live. In that spirit, our Department people are arguing in all their contacts with foreign officials that the best answer to the growth of protectionism in the United States is for their countries to ease off on their own protectionism. But if we want them to be less protectionist, we've got to

ease off on our own protectionism. In other words, we've got to practice what we preach.

As the largest agricultural exporter in the world, we'd lose the most if we were to be drawn into a global protectionist trade war.

If we take blanket action to shut other exporting countries out of our markets--unfairly and without justification--they can and will shut us out of theirs on the same basis.

Let me say in this connection that actions the United States has had to take in recent years to bring about orderly importing have been highly selective; that is, they have been aimed at correcting specific situations that have arisen. And even these actions have been undertaken only as a last resort.

Let's look at what happened to beef a few years ago.

The world beef market in the early 1960's was disorganized. There's no other word for it. The exporting countries, notably Australia and New Zealand, found three of their big markets increasingly hard to sell to. The European Community was perfecting its variable import levy system on beef. The United Kingdom had in effect, as it does today, a direct payment system that allows its import price to fall below levels attractive to exporting countries. Also, Japan, as now, was regulating meat imports through a rigid quota system.

But here was the United States. We had only a modest duty of 3 cents a pound. We had no quotas of any kind. So we became a prime target for beef suppliers. In 1960 we received 512 million pounds; in 1961 we got 689 million; in 1962 our imports rose to 967 million; and in 1963 we got a peak volume of 1,122 million pounds.

The 1963 imports led to enactment of the Meat Import Law of 1964 (Public Law 88-482). This legislation does not actually impose quotas; it sets a target which imports cannot exceed in any year without "triggering" quotas. If quotas ever are imposed--and they haven't been yet--they will hold imports to a level based on average imports in the 1959-63 period, adjusted to take account of the change in U. S. production. The limit on imports under the law would be approximately 6.7 percent of domestic production. Actually, imports were 6.0 percent of production in 1967 and only 5.6 percent in 1966. By contrast, imports in 1963--the year we received our heaviest shipments--were 8.6 percent of production.

I'd like to say two things about the Meat Import Law: First, it has enabled us to achieve orderly importing of beef in the interests of our own producers without being unduly restrictive. Second, it has served notice on the countries that have erected walls against beef imports that the United States cannot become a dumping ground for the world's beef. We took this step reluctantly. We sympathize with the problem of the beef exporting countries, but they must look for help, not to us, but to the countries that created the problem.

We had to invoke Section 22 action last year to protect our dairymen. Section 22, Agricultural Adjustment Act of 1933, as amended, authorizes the control of imports that would undermine price support or other Department of Agriculture programs.

Need for action began to be apparent in early 1966 when foreign dairy products began to flood into the United States in evasion of our import

control system. These products were sold at heavy reductions. In some instances the reductions amounted to about four-fifths of the cost of the product in the country of origin. The countries sending us these products had got into trouble when they established high dairy support prices, which stimulated surpluses, and they were trying to bail themselves out by dumping their surplus problem on us.

Because U.S. milk production was down, about a year passed before prices dropped and the Commodity Credit Corporation began to buy U. S. dairy products heavily. When it became obvious that our dairy price support program was being hurt, we moved to halt evasions of Section 22. I use the word "evasions" because the supplying countries were sending us products, such as butter in the form of a butterfat/sugar mixture, in circumvention of then existing controls. This butter could not have gone to other potential markets, such as Japan, or the United Kingdom, or Canada; they had tight controls on imported butter. It came to the United States.

In coping with this problem we followed prescribed Section 22 procedures. We made recommendations to the President--who directed the U.S. Tariff Commission to investigate. The result, to be brief, was a Presidential Proclamation putting under control the sugar/butterfat mixture and other items which, together, had accounted for virtually all of the import upsurge.

We did pretty well, I think. We protected our dairymen. And we struck a blow against foreign protectionism, inasmuch as the imports that we cut off were an outgrowth of protectionist policies. Yet, we kept our cool by applying a legal remedy already available to us to solve a specific problem that had developed. We didn't, in a burst of protectionist emotion, put blanket controls on a wide variety of imports that weren't causing us trouble.

Export subsidies, as used by some foreign countries, have given us serious problems recently, both in our own market and in markets abroad.

The United States took selective action this spring when subsidized canned tomato products began to come into our market from the European Community. The U.S. Treasury Department, after investigation, announced that beginning June 1, 1968, it would apply countervailing duties against such imports. The countervailing duty, of course, protects our producers by offsetting the artificially low prices of the subsidized products.

We also are concerned about the way subsidized products are taking away traditional foreign markets of our farmers. The European Community is using subsidies, or contemplating their use, for just about every product the area exports--grains, flour, dairy products, meats, poultry, lard, and others. But the Community isn't alone. Denmark, for example, subsidizes exports of poultry and dairy products. Australia subsidizes shipments of canned fruit. And so it goes.

We are taking a stand on this matter. We continue to believe in the GATT principle that subsidies should not be used to obtain more than a fair share of the world market,

Holding these views, we patiently and repeatedly sought under the GATT a solution to the problem of subsidies on poultry. The discussions have not been fruitful. So the Department of Agriculture is resuming its subsidies on poultry exports to Switzerland. This action--also selective--is a first step in a new drive to regain a fair share of the world market for U.S. poultry. We sincerely hope that the significance of our action will be understood. In order that it will be understood, let me say that

the United States, the world's most efficient producer of poultry, does not intend to lose traditional markets--which we have developed through great expense and effort--because of the subsidy operations of less efficient producers.

We would be happy to end our subsidy if others would agree to end theirs. We hope that our announcement of a subsidy program will cause our European friends to re-examine their subsidy operations.

Yes, we have been aggressive in fighting protectionism abroad. We'll continue to be aggressive. But, as I've emphasized all along, we are selective in our response to trade problems. We must be selective. We just can't afford to let emotion over-rule judgment in the trade area. Selective action ~~reflects~~ judgment; the shotgun approach can only invite retaliation--or over-retaliation, as happened back in Smoot-Hawley days.

I've talked exclusively about farm products. But what I say about selective versus blanket action also applies to non-agricultural goods. Protectionism on non-agricultural items can hurt U. S. exports of such goods. And it most certainly will hurt our agricultural exports.

Japanese-American trade figures will show what I mean.

In 1967, Japan sold us \$3.0 billion worth of non-agricultural products. Our buying of those products was a big factor in Japan's purchase of \$865 million worth of U.S. farm products, making Japan our single biggest cash customer.

What would happen if we were to drastically reduce our buying of Japanese non-agricultural products?

Japanese officials have told me that under such circumstances Japan almost certainly would reduce its buying of our food and fiber. They also would back off on their substantial buying of U.S. non-agricultural goods, which in 1967 amounted to a whopping \$1.8 billion.

I want to turn briefly to another phase of U.S. trade work. I refer to market promotion.

As I see it, the market access that we obtain through trade negotiation is like a sales license. It's necessary if we are to do business. But if we were to make the most of our market access opportunity, we've got to follow up with vigorous, intelligent sales effort.

We are doing that. Today the Department of Agriculture is doing a selling job in some 70 countries, working in close cooperation with U.S. and foreign trade groups.

We depend a lot on overseas exhibits to reach consumers and the trade. To date, American goods have been shown in over 200 trade fair and trade center shows. The largest of these was staged in Tokyo early in April. I had the privilege of opening this exhibition and I can tell you from first-hand knowledge that this one was a huge success. In addition to many booths sponsored by States and trade groups, 135 commercial firms and a super-market sold food products to the Japanese public. I am told that sales totaled about \$1.2 million.

There will be other exhibits this year. Shows are scheduled in 1968 for Madrid, Belfast, Cremona, Stockholm, Munich, Beirut, Paris, London, Tokyo, Bangkok, and Seoul--our first in South Korea.

A new market development tool we have been using effectively in recent months is the trade mission. This type of team, fully representative of our production and marketing system is helping us get a close-up appraisal of a particular market and also is helping us contact the foreign government and private trade officials who call the trade shots with respect to the products we are trying to sell.

Trade missions in recent months have promoted U. S. wheat, feed grains, soybeans, soybean oil, and cotton. The areas covered have been Europe, the Mediterranean and Middle East, the Far East, and Latin America.

I led a special Far East mission that visited Japan, Taiwan, and South Korea in April. We expressed our sincere appreciation for the approximately \$1.1 billion in agricultural trade we now have with the three countries. But we also hammered hard to get more trade liberalization. For example, we urged the Japanese Government to remove the duty on soybeans. Such action would do much for Japanese crushers who are being squeezed by duty-paid prices for imported soybeans and relatively low returns from soybean oil. In our discussions we stressed that sunflower seed being imported from the Soviet Union enters Japan duty-free and that soybeans should receive the same treatment. We also urged the Japanese to consider removal of quota restrictions on such items as fresh grapefruit, fresh papaya, canned pineapple, and citrus juices.

The Japanese, in turn, had things to hammer home to us.

First, they wonder if we can or will continue to be a steady supplier of their needs. We assured them earnestly that we can and will be a reliable supply source.

Second, and this one gave us more trouble, they wondered about what they call a rising protectionist attitude in the United States. And they voiced warnings. They talked about the possibility of cutbacks in their buying of our farm products if the United States should adopt restrictive legislation on non-agricultural items. I think that this warning should be heeded.

We came back from the Far East with a much clearer idea of what must be done to expand our export trade, not only there but also in other parts of the world.

We've got to keep a sharp eye on the way all countries are developing economically. Our Economic Research Service found that in 1964 the countries that had an average per capita income of less than \$200 per year bought commercially only 30 cents worth of U.S. farm products per year per person. But those having a per capita income of \$600 per year bought \$7.88 worth per person. The more advanced the development, the more they buy.

We mustn't forget about East-West trade possibilities. Our trade in agricultural products with Eastern Europe and the Soviet Union is small at the moment. But consumer income and demand in these countries continue to rise. The potential is there. In time, I think, we can expand this trade if we can eliminate special cost or regulatory hindrances and see our way clear to grant most-favored-nation treatment to all the countries of the area as we now do to Poland and Yugoslavia. Trade, I

think, could eventually lead the way toward closer cooperation between East and West as well as to expanded business for all concerned.

In conclusion, I would say that our agricultural trade picture shapes up about like this:

Farm product exports are making a vital contribution to our balance of payments and to our general well-being as a nation.

These exports can make an even greater contribution in the years ahead if we stick to liberal trade principles ourselves--and insist that our trading partners relax some of their own protectionist practices. The record since 1934 attests to the wisdom of such a policy by the trading nations of the world.

But if we become protectionist ourselves, we run the risk of seeing the eventual collapse of a trade structure that has been built so laboriously over the past three and a half decades. As I said earlier, we are at a cross-roads. I think we all know which road we should take.

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Statement by the Honorable Orville L. Freeman
Secretary of Agriculture
before the
House Committee on Agriculture
Wednesday, June 12, 1968

Mr. Chairman, Members of the Committee:

I welcome the opportunity to meet with the Committee.

Today, I want, once again, to report to the Committee on the status of the Department's consumer food programs. I want to make some general long-range recommendations for consideration by the Committee.

And, I want to specifically discuss the funding of the Food Stamp Program.

This matter cannot be discussed in isolation from the larger issue of hunger and malnutrition in the United States.

I am sure, Mr. Chairman, that Committee members are aware that I have publicly deplored the causes of confusion in the recent public debate on this matter. Careless reporting is obscuring both the complexity of the problem and the progress that has been made to provide food assistance to the poor.

But, while I deplore the careless reporting and the resulting confusion, I want also to say: More needs to be done; the problem of hunger--at times, for some poor families--and of malnutrition--for larger numbers of poor families for longer periods of time--is a present-day fact.

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The ultimate goal, the positive commitment, must be: No American--regardless of race, creed, color, or material possessions--should go hungry or suffer from severe malnourishment.

Therefore, before presenting recommendations on food stamp funding, I want to:

- Summarize the change in scope, emphasis, and accomplishments in the Department's consumer food programs in the decade of the 1960's--the USDA programs directly concerned with hunger and malnutrition;
- Project for the Committee what can be, and should be, done with the Food Stamp Program--if it is to make its maximum contribution to banishing hunger and malnutrition in the years ahead.
- I shall conclude by recommending what we can and should do about food stamp funding now.

During the decade of the sixties:

- The concept of family food assistance programs has shifted from distributing a few surplus food items to increasing food purchasing power through the use of food stamps; and from supplementing the families' food supply to providing a more nearly adequate diet.

--- The administration of these food assistance efforts has changed from a passive offering to State and local government--"food is available if you are willing to distribute it"--to active encouragement, and the promise that Federal authority will intervene if necessary to make food available to families.

--- The concept of child feeding programs has been enlarged from the narrow view of providing a noonday meal service to one that includes school breakfasts and feeding programs outside the school system--with greater emphasis on reaching the poor school and the poor child.

These broader, more positive, concepts--and the more positive Federal direction and leadership and financial support--have resulted in substantive and significant progress.

But, they also demonstrate the scope and depth of the further commitment that must be made if--someday and in the not too distant future--it can be truly said that there is no hunger in America.

In child feeding:

In 1960:

--- 12.8 million children were eating balanced lunches under the National School Lunch Program. About 1.2 million children were receiving their lunches free or at a special token price;

- There was no legislative authority directing that special assistance be provided poor schools that had a large number of poor children in attendance;
- There was no way--other than with surplus foods--to help poor schools with a breakfast program or to help them buy some essential lunchroom equipment;
- There was no way--except for the Special Milk Program--to extend assistance to feeding operations in non-school situations.

But in the 1968 school year now ending:

- 19.5 million children ate the Type A school lunch and 2.5 million were poor children who got a free lunch or paid a token price;
- A total of \$5.0 million was available to help poor schools serve more poor children--under the 1962 amendment to the National School Lunch Act;
- Under the Child Nutrition Act, we are building the base for further food services for poor schools and poor children with the \$4,250,000 in appropriated funds.
- And, this year, new authority has been provided by the Congress to move into non-school feeding programs.

In needy family feeding:

In 1960:

- Our only tool for family feeding was the Commodity Distribution program;
- Under it, we were offering five low-value foods--worth, at retail, \$2.20 per person per month;
- We were reaching 3.5 million needy people in family units--with about a 6 percent national unemployment rate;
- About 1,200 counties and areas were distributing food to their needy families;
- Of the 1,000 poorest counties, there were commodities distributed in 370.

In contrast, in 1968:

- The Food Stamp program has been added to our kit of tools and Commodity Distribution has been improved and strengthened;
 - Needy families now being assisted under the Commodity Distribution program have 16 foods now available, and we have announced the addition of 6 more;
 - we are now reaching--or shortly will be--6.1 million people in 2,400 counties with commodities or food stamps--with the national unemployment rate now below 4 percent;
- All of the 1,000 poorest counties are being, or soon will be included.

Progress was accelerated this past year through the major modifications in these family feeding programs that I announced last July. They were:

- For the first time, the Department would offer to pay up to the full local operating costs of the Commodity Distribution Program in any of the 1,000 poorest counties then without a program;

There were 331 counties in this priority or target group.

- In food stamp areas--

- (a) the minimum purchase requirement was being reduced from \$2 per person per month to 50 cents;
- (b) the purchase requirement for all new participants was to be cut in half for the first month--allowing the family to make the transition from a credit to a cash basis; and
- (c) low-income people were to be hired, in a number of sensitive areas, as program aides--to help reach eligible nonparticipating families and bring them into the program.

- And, finally, Department field personnel--spearheaded by Technical Action Panels--community action agencies and other groups, were joining in an intensive outreach effort on USDA food assistance programs.

The results have been dramatic when one considers that we are now down to dealing with the hardest-to-reach people and counties.

The monthly average of people receiving food stamps is 300,000 higher in 1968 than at the end of last year in about 830 areas that were in operation in June of 1967. And, of course, we reached more people in the new areas that came into the program this fiscal year.

On the commodity side, our offer of financial aid to the poorest counties--together with vigorous leadership--has resulted in the local officials of 277 of our original 331 target counties taking action to accept and agree to operate a commodity or food stamp program for their poor families. An additional 14 counties are in process of making a decision.

In the remaining 40 of the 331 counties, USDA personnel are now undertaking the work to set up local facilities for certifying needy families and handling and distributing the food--preparatory to direct Federal operation. This step was taken reluctantly and only when I was convinced it was the only way to bring food assistance to poor families in these remaining poorest counties.

Even where we do directly inaugurate a program, it is our hope that arrangements can subsequently be worked out for a return to the traditional State-local operating base.

Thus, our commodity operations are helping to fill the gap until these family feeding operations can be replaced with a stamp program.

I want to restate and reinforce my several earlier statements to the Committee that food stamps do provide the most practical and efficient way to meet the food problems of poor families. Stamps provide the low-income family with the means for a wider, more varied diet--a way to adjust food purchases to the varying needs of the family. It incorporates the desirable self-help principle. It utilizes--rather than competes with--the best food distribution system in the world, our commercial marketing complex.

The food stamp approach has strong support and appeal among the State and local officials to whom USDA looks to get the food assistance job done.

Of the 331 target counties, 128 elected to go the food stamp route and 11 more have notified us that they intend to request a program. This election was made even though there was no way to relieve the States or communities of responsibility for local operating costs. This appeal and support can be a real strength as we move to make our food assistance reach all those in need.

It is, then, becoming increasingly clear that the events of the past year have placed new demands upon the Food Stamp Program--demands that must be taken into account when future program funding is discussed and planned.

--- More poor people are coming in to be certified in counties that have the stamp program, as we refine and improve program provisions.

--- More counties want the program and they should have it.

--- And, there are more "demands" that even more be done to see that even more people are reached and that even more assistance is provided to those already being reached.

There is room for further improvements in the Food Stamp Program. Some can only be accomplished as experience shows us the way to remove barriers to participation. And, all of them will have an impact on program funding.

But, if we are to eliminate hunger and malnutrition in this country, our tools must be equal to the task. To effectively reach poor families in their homes we need a Food Stamp Program that:

- Is operating in every county and independent city in the country;
- Has eligibility standards that encompass all financially needy families;
- Is readily accessible to all eligible families -- with the States and localities providing prudent but prompt certification services and accessible locations at which to purchase coupons;
- Makes available to each participating family sufficient total food stamps to enable the family to purchase an adequate diet--with the family's monetary investment related to its basic ability to buy food;

- Includes homemaker training and educational services on what makes for a good diet and how to buy and prepare food to meet the nutritional needs of their families.

This is the kind of family food assistance program we need to operate and fund if we are to ever eliminate hunger and severe malnutrition in this country.

It is also clear that we cannot develop, fund or place into nation-wide operation that food stamp goal this fiscal year. But, we must see that the momentum we have built up continues and, in fact, that we accelerate the pace during the next fiscal year. The times and the national need require it.

Substantial additional funding is necessary in fiscal 1969.

- We increased the number of operating areas from 838 in June 1967 to 1,027 areas this fiscal year. We need to provide "full-year" financing for these nearly 200 new areas. As well, we want to reach even more of the eligible families by program refinements or better State or local services.
- There are 239 project areas--already approved--waiting to begin operations (166 of these areas wanted to open this May or June. But, we had to ask them to postpone their openings because of a shortage of 1968 funds.)

--- We had 145 areas, as of the close of business, Monday, June 10, that had officially requested the program and are anxious to start the program in 1969.

The designated and waiting-to-be-designated areas now on the books involve 35 States. For example, there are 36 counties in Georgia; 30 counties in South Carolina--to make a State-wide program there; 16 in Louisiana; 18 counties in Arkansas; 2 in Washington--to complete the State-wide program.

In the Midwest, there are 16 counties in Nebraska included; 11 in Minnesota; 11 in Iowa; North Dakota has 13 counties, and Ohio has 12. Massachusetts, which entered the program for the first time, has 7 designated areas waiting to enter. Alaska is on the list with 9 areas for a State-wide program.

--- And, more requests are being received every day. We would expect to receive at least 100 more requests in the next few months from areas that want to start programs in fiscal 1969.

I can clearly define the kind of nation-wide Food Stamp Program to which we need to progressively move. But, it is not possible to precisely forecast the maximum possible pace at which we can proceed to move toward that goal. Nor, can its ultimate cost be predicted.

--- It is difficult to judge exactly when we can complete the shift to food stamps for the rest of the country.

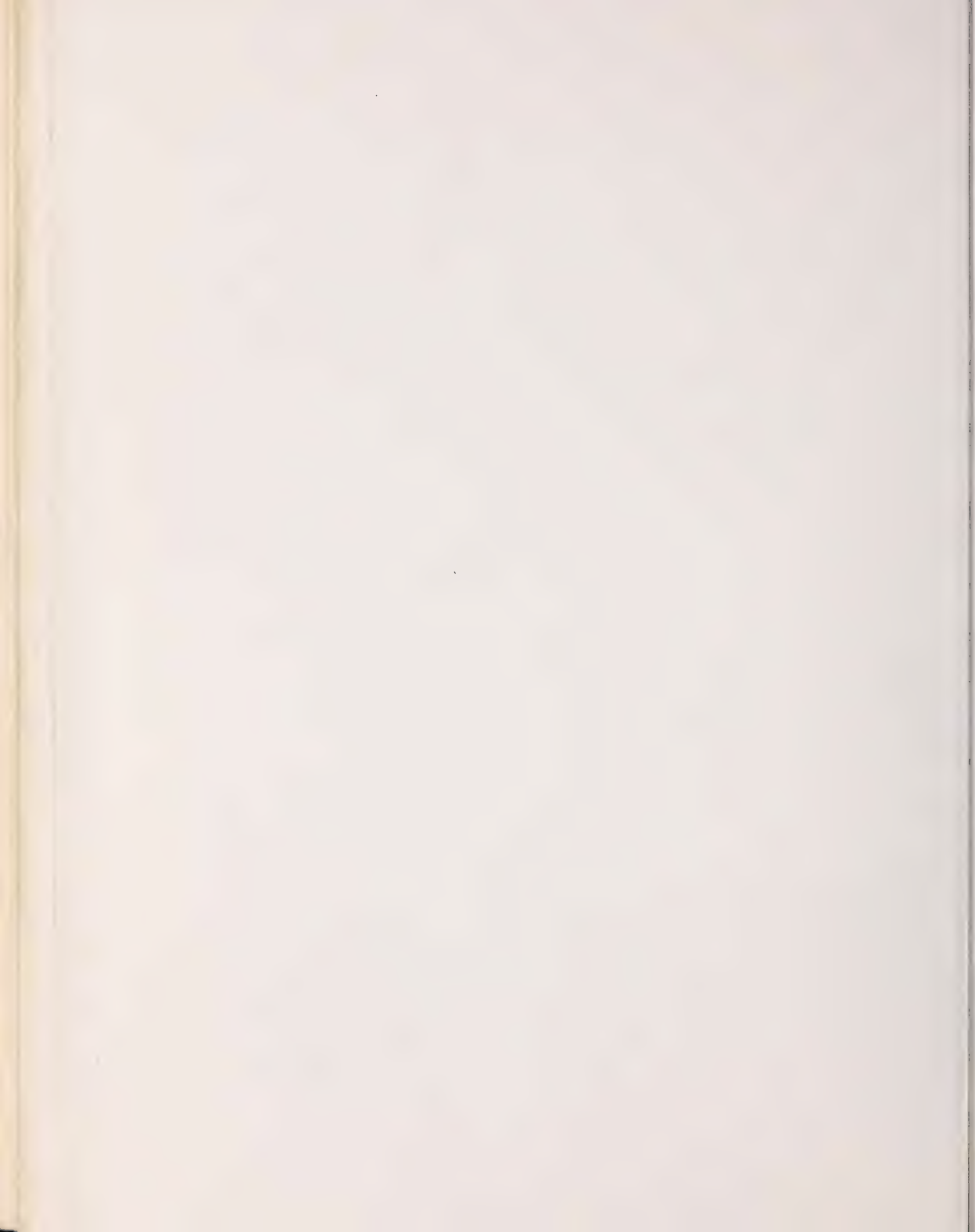
--- The level of participation is equally difficult to forecast. We would expect more families to continue to move out of poverty--but there may be temporary periods of increased unemployment in some areas. We do not know when experience will show us improved ways to reach more of the remaining eligible people--through outreach, education and motivation, improved program services, etc.

But, the need to eliminate hunger is clear and consistent with the national interest and our standard of values. This certainty should outweigh the uncertainty over the pace at which this national need can move forward both from a practical and financial standpoint. No artificial barriers should prevent progress toward that goal. Rather, the urgency of the need dictates development, now, of the best legislative basis under which this country can move toward the kind of stamp program that will meet national need.

I strongly urge this Committee to accept the identical bills H.R. 17721 through 17725 introduced by Congresswoman Sullivan and 107 other Members of the House.

These bills provide for a four-year authorization with no specific monetary limitations specified in advance. But, to assist and guide the Congress in its annual funding decisions, the bills require specific rules for an in-depth Congressional review prior to each annual appropriation.

Mrs. Sullivan's bill provides for effective Congressional direction, leadership and program review. But, it will permit the Congress to make its decision each year in the light of the then-current situation. The national need to make a full commitment to eliminate hunger dictates the need for such action.



For P.M. Release Monday, June 17, 1968

Washington, June 13, 1968

Secretary Freeman Reports 1967 Is Milestone Year for USDA:

"When 1967 is reviewed in the context of agricultural history a decade or so from now, it may well be regarded as the year in which the Department of Agriculture entered fully upon a new era," Secretary of Agriculture Orville L. Freeman says in his Annual Report for 1967, entitled Agriculture/2000.

Releasing the report today, Mr. Freeman said, "American agriculture is far better equipped to play its full role in the national economy than it was seven years ago."

Without in any way lessening our concern for and activities to benefit all Americans today, Secretary Freeman said of the report, "we are able to look more thoughtfully toward the future, toward what we call Agriculture/2000."

The report details some of the progress made both in 1967 and during the sixties toward the six major missions or goals of the U. S. Department of Agriculture.

THE FIRST GOAL: INCOME AND ABUNDANCE -- "Realized net farm income was about \$14.5 billion in 1967," the report states. Except for the 1966 figure of \$16.4 billion the 1967 return was the highest since 1951. Net income realized per farm in 1967 was \$4,576. This was 55 percent, or about \$1,600 more than in 1960, but well below the all-time high of \$5,049 in 1966.

The new farm programs provided by the Emergency Feed Grain Act of 1961 and the Food and Agriculture Acts of 1961 through 1965, not only resulted in improved farm income, "they also reversed the rising trend of the surpluses," the report states.

(more)

"The wheat carryover which had climbed to 1.4 billion bushels in 1961 was down to 426 million bushels on July 1, 1967.

"The feed grain carryover which had soared to 85 million tons was only 37 million tons on October 1, 1967...

"The inventory of commodities owned by the Commodity Credit Corporation has dropped from over 6 billion to less than 1 billion, the lowest since 1952."

THE SECOND GOAL: GROWING NATIONS-NEW MARKETS -- Total agricultural exports reached an all-time high of \$6.8 billion in fiscal 1967. Sales for dollars totaled \$5.2 billion, up 62 percent from 1960. For the calendar year, exports totaled \$6.4 billion, the second highest on record and about one-third more than in 1960.

"Nations that depended chiefly on food assistance are now able to turn increasingly to trade to meet their needs," the report points out.

During 1967 some 20 developing nations received food aid under specific "self-help" agreements.

"Starting from a decidedly bleak outlook in 1966, the world food situation was much improved by the end of 1967," according to the Secretary's report. "It was not only a year of record agricultural production for the world, but most significantly a banner year for the less developed countries..."

"The world food problem is far from solved. But the edge of the impending crisis has been blunted at least temporarily."

THE THIRD GOAL: COMMUNITIES OF TOMORROW -- "We are seeking to restore rural-urban balance in America through increased opportunity in rural communities, and a good start has been made," Secretary Freeman says.

(more)

USDA 1915-68

He cites the following achievements during 1967:

- * More than \$560 million in farm ownership and farm operating loans was advanced through Farmers Home Administration -- plus \$442 million in loans for building or improving 49,000 rural dwellings -- plus almost \$200 million to build or develop modern water and sewer systems in 1,100 rural communities.
- * Rural Electrification Administration borrowers helped set up 616 projects to establish new small industries, new commodity facilities, and new tourist attractions, thus creating an estimated 34,000 jobs.
- * Economic development projects established with Extension Service helped provide an estimated 52,000 new jobs.
- * The Forest Service operated 47 Civilian Conservation Centers with an enrollment of 8,400.
- * The Soil Conservation Service provided jobs for 1,700 youths in its special programs and regular field operations.

Although a good beginning has been made toward the great goal of restoring rural-urban balance, the Secretary urges "faster progress toward the desperately needed revitalization of rural America...

"The need for a national plan is obvious. Action on a truly national scale is imperative."

(more)

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THE FOURTH GOAL: RESOURCES IN ACTION -- Department conservation programs, the report says, "are giving extra emphasis to the multi-county development of all natural resources. They are offering far more services to low income and small farmers and to rural communities. Outdoor recreation, natural beauty, and wildlife are receiving great attention in agriculture, forestry, and watershed programs."

During fiscal 1967, the Soil Conservation Service helped 1,170,000 land-owners and operators plan and apply conservation work. The Agricultural Conservation Program assisted more than a million farmers and ranchers with cost-sharing aid.

Under the direction of the Forest Service, 10.8 billion board feet of timber was harvested from the National Forests, over 1 billion small trees were planted on public and privately-owned lands, and 150 million visitor days for recreation in the National Forests were recorded.

The USDA is stressing the coordination of conservation with economic development through multi-county resources conservation and development projects. At the end of 1967, 28 such projects were in operation with 13 others moving rapidly toward that stage.

THE FIFTH GOAL: SCIENCE IN THE SERVICE OF MAN -- "The impact of research and science on agriculture has been almost unbelievable," the report says. Actually, the impact "is felt far beyond the farm. Agricultural research is of crucial importance in man's efforts to create a balanced and diverse environment, in improving human health, and in examining the life process itself."

(more)

USDA 1915-68

Among the developments of 1967 were a tasteless, colorless fat from cottonseed oil which may change the packaging of nuts, meats, and other foods; conversion of soybean and linseed oil derivatives into a new rough material for making adhesives, films, and plastics; a new way to process tomatoes to almost any consistency from thin juice to a firm gel; a new process which makes cotton stretch fabrics stronger and less expensive; a chemical treatment for permanent press garments that may double the durability of the fabric; and a process for making nylon from soybean oil.

THE SIXTH GOAL: NEW DIMENSIONS FOR LIVING -- Abundance was widely shared in a continuing effort to improve nutrition for the young and the needy. The report notes that:

- * At year-end school lunches were being served to 19.5 million children -- 5 million more than in 1961 -- and 2.5 million children were being served free. Under the Child Nutrition Act, 80,000 undernourished youngsters were getting good breakfasts daily.
- * About 2.2 million persons in 848 areas of 41 States and the District of Columbia were participating in the Food Stamp Program -- compared with 1.3 million persons in 477 areas a year earlier.
- * Nearly 3.3 million needy persons in about 1,300 counties were participating in the direct food distribution program. They received 14 foods, including meat, cheese, and butter, compared with only five commodities in early 1961.

The report points out that the percentage of disposable income spent for food in 1967 "dropped to a new low of about 17.7 percent compared with 18 percent in 1966, 20 percent in 1960, and 26 percent in 1947."

(more)

Pointing out that meat and poultry inspectors assured the wholesomeness of more than 84 billion pounds of meat and poultry products and that USDA food specialists certified the quality of more than 580 billion pounds of food and fiber in fiscal 1967, the Secretary said:

"In expanding dimensions for living we are concerned not only with nutrition but with the safety of the nation's food supply. The Wholesome Meat Act enacted in 1967 will give further assurance to consumers that the meat they eat is safe and healthful."

"No one can predict the future with absolute certainty -- and it is well that this is so," Secretary Freeman says in concluding the report. "But we can dream. We can hope. We can even project, with some certainty, based on what we know and what we want."

"Will our dreams come true? Time alone will tell. But this we believe: The world of Agriculture/2000 can be a far better world than that of 1967."

"It will be -- if we are determined to make it so."

(Single copies of the "Annual Report for 1967" are available on request from Office of Information, U. S. Department of Agriculture, Washington, D.C. 20250. Please give your zipcode).

For P.M. Release Monday, June 17, 1968

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Statement by the Honorable Orville L. Freeman
Secretary of Agriculture
before the
Senate Subcommittee on Employment, Manpower,
and Poverty, Committee on Labor and Public Welfare
Friday, June 14, 1968

Mr. Chairman, members of the Subcommittee --

I welcome this opportunity to appear again before this subcommittee. Since I last testified here a year ago, the number of persons reached with the food assistance programs operated by the Department has increased by nearly a fourth, the programs themselves have undergone further improvement and the serious study of the complex problem of hunger and malnutrition in the country has begun at last.

When I appeared before you last year,

- * About 4.8 million persons were participating in both of the family food assistance programs -- 1.8 million in the Food Stamp Program and about 3 million in the Commodity Distribution Program;
- * About 2,100 counties were providing food assistance, some 830 through the Food Stamp Program and more than 1,200 through the Commodity Distribution Program;
- * More than 2 million children in schools were receiving free or reduced priced lunches, and nearly 80,000 were participating in the Pilot School Breakfast Program. Well over 500 schools were being helped to obtain facilities and equipment to serve breakfasts and lunches.

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I indicated then to this Committee that I was prepared to take a number of steps to reach more people, both in the areas where programs were available and in the areas where these programs were not available. They were:

- * For the first time, the Department would offer to pay up to the full local operating costs of the Commodity Distribution Program in any of the 1,000 counties without this program where per capita income was the lowest; -- 331 counties were selected in this priority or target group.
- * In Food Stamp areas,
 - the minimum amount required to obtain the stamps was reduced from \$2 per person per month to 50 cents for the poorest of the poor;
 - for all new participants, the purchase requirement was reduced by half for the first month to help families make the transition from a credit to a cash basis; and
 - low-income people were to be hired, in a number of sensitive areas, as program aides. They were assigned the task of helping to reach eligible families not yet participating and bring them into the program.
- * USDA personnel, led by the Technical Action Panels now established in every county in every State, were to join with community action agencies and other groups to mount an intensive effort to reach out to the poor and help them to join a food assistance program.

The impact of these changes has been dramatic, by any measure of the word.

- * By the end of the year over 1.2 million more persons will be served by these programs. This includes an average of 300,000 more people each month in the approximately 830 areas operating Food Stamp Programs a year ago.
- * A family food assistance program is operating, or in the process of becoming operational, in all but about 600 counties in the U.S.
 - Of the 331 target counties, all but 40 have begun, are in the process of beginning, or are in the process of making final decision about a food assistance program.
 - Of these 40 counties, the Department has established or is now establishing the local facilities for certifying needy families and distributing the food commodities. We will operate these programs independently of local authority. This action was taken only when I was convinced -- after repeated effort at State and local level to encourage local initiative -- that food assistance could reach poor families in these low-income counties in only this way. I am yet hopeful that arrangements can subsequently be made to return these programs to local authorities. In the meantime, the poor will have the opportunity to obtain a better diet.

I should point out here that this record would be even more impressive if the Department had more flexibility to shift Section 32 funds among the family food program accounts. We are not permitted, under the Food Stamp

Act, to use Section 32 funds to supplement the annual Food Stamp appropriations. Because of this, we have delayed the opening on some 166 projects which were scheduled to begin in May and June of this year, and we have been unable to begin the program in 68 of the 331 target counties -- those which have already affirmed their willingness to begin a stamp program.

The reason is that the substantial increase in participation which we encouraged this fiscal year forced us in March to drastically scale back the expansion of the program in new areas. We had the option of incurring a substantial deficit, which by law we could not do; or we could reduce the amount of the bonus provided to increase the family food purchasing power of those now in the program, an option which would defeat the purpose we serve.

We chose instead to delay opening of the programs in areas scheduled for opening in May and June, and to obtain the cooperation of the Office of Economic Opportunity to use the authority and \$2.5 million in funds of the emergency food and medical care program to open programs in 104 areas in April. These were projects where local authorities were ready to start -- and where we estimated a delay would deny food assistance to nearly 100,000 persons who would be eligible and who were awaiting this assistance. In addition, we requested, and the Senate has authorized, the use of funds appropriated in fiscal 1969 to cover any deficit in this program in 1968. We are hopeful that the House conferees will agree to this provision in the Conference on the Department's appropriation bill.

While we have been seeking to keep the Food Stamp Program moving on a forward momentum to the maximum extent possible, we also have undertaken further improvements in the Commodity Distribution Program.

Last month I announced an expansion in the number of commodities which the Department is offering to the States for distribution to the poor. Where in April we were making available sixteen commodities...

Dry Beans	Corn Meal	Dry Split Peas
Bulgur	Flour	Instant Mashed
Butter	Canned Chopped Meat	Potatoes
Cheese	Nonfat Dry Milk	Raisins
Corn Grits	Peanut Butter	Shortening/Lard
		Rolled Oats/Wheat

.... we will be adding at least six more:

Canned Vegetables	Canned Chicken
Instant Milk Drink (Chocolate)	Scrambled Egg Mix
Fruit Juice	Evaporated Milk

The significance of this action is not in the increased variety, or increased quantity alone. While the amount being made available will increase from about 25 pounds per person per month to about 36 pounds, the quality of the diet that will be made available will be far superior to anything yet offered in a national food assistance program.

The chart here illustrates this point. In all eight basic nutrients identified by the National Research Council as essential to good nutrition, the recommended daily allowances range from 70 to over 100 percent. In the vital measure of energy, the package we are developing will provide nearly three-fourths of the daily caloric need.

This reflects not only an improved balance of food items, but a continued effort to fortify them with additional vitamins and minerals. Of the commodities we are now distributing or planning to add, eight are

being further enriched to the maximum allowable levels authorized by the Food and Drug Administration. In fact, the commodities which we make available are superior in nutritive value to many which are available in stores and supermarkets. Not all flour or cornmeal or rice or instant potatoes, for example, are enriched to the levels we require for food we purchase for distribution.

As you may well have gathered, I am proud of the efforts the Department of Agriculture has made to reach more people with more and better food. This has involved the dedicated effort of a great many people, both those in the Department and the many thousands of State and local Government employees who are on the delivery end of these programs.

Neither we nor they have been at this job for just a year or two; the programs we operate today reflect seven years of creative cooperation, of toiling in a rocky soil of public indifference, watered with the often casual interest of the Congress, State legislatures and local units of government.

We have been constantly aware of the need to eliminate hunger, and to better meet the threat of malnutrition among the poor.

I can cite no more specific evidence of this fact than the basic changes in policies which guide these programs, and the changes in these programs which reflect those policies.

During the decade of the sixties:

- * The concept of family food assistance programs has shifted from distributing a few surplus food items to increasing food purchasing power through the use of food stamps; and

from supplementing the families' food supply to providing a more nearly adequate diet.

-- The administration of these food assistance efforts has changed from a passive offering to State and local government -- "food is available if you are willing to distribute it" -- to active encouragement, and the promise that Federal authority will intervene if necessary to make food available to families.

-- The concept of child feeding programs has been enlarged from the narrow view of providing a noonday meal service to one that includes school breakfasts and feeding programs outside the school system -- with greater emphasis on reaching the poor school and the poor child.

These broader, more positive, concepts -- and the more positive Federal direction and leadership and financial support -- have resulted in substantive and significant progress.

But, they also demonstrate the scope and depth of the further commitment that must be made if -- someday and in the not too distant future -- it can be truly said that there is no hunger in America.

In Child Feeding:

In 1960:

-- 12.8 million children were eating balanced lunches under the National School Lunch Program. About 1.2 million children were receiving their lunches free or at a special token price;

- There was no legislative authority directing that special assistance be provided poor schools that had a large number of poor children in attendance;
- There was no way -- other than with surplus foods -- to help poor schools with a breakfast program or to help them buy some essential lunchroom equipment;
- There was no way -- except for the Special Milk Program -- to extend assistance to feeding operations in non-school situations.

But in the 1968 school year now ending:

- 19.5 million children ate the Type A school lunch, and 2.5 million were poor children who got a free lunch or paid a token price;
- A total of \$5 million was available to help poor schools serve more poor children -- under the 1962 amendment to the National School Lunch Act;
- Under the Child Nutrition Act, we are building the base for further food services for poor schools and poor children with the \$4,250,000 in appropriated funds.
- And, this year, new authority has been provided by the Congress to move into non-school feeding programs.

In needy family feeding:

In 1960:

- Our only tool for family feeding was the Commodity Distribution Program;

- Under it, we were offering five low-value foods -- worth, at retail, \$2.20 per person per month;
- We were reaching 3.7 million needy people in family units -- with about a 6 percent national unemployment rate;
- About 1,150 counties and areas were distributing food to their needy families;
- Of the 1,000 poorest counties, there were commodities distributed in 370.

In contrast, in 1968:

- The Food Stamp Program has been added to our kit of tools and Commodity Distribution has been improved and strengthened.
- Needy families now being assisted under the Commodity Distribution Program have 16 foods now available, and we have announced the addition of 6 more;
- We are now reaching -- or shortly will be -- about 2,500 counties and 6.1 million people with commodities or food stamps -- with the national unemployment rate now below 4 percent -- all of the 1,000 poorest counties are being, or soon will be included.

What I have said here underscores both the progress we have made, and the extent of the unfinished business ahead. We have, in fact, completed the restructuring of the general purpose food assistance programs; and we have nearly completed the task of putting them in reach of all the poor. The major-task ahead can be defined now in terms of dealing with the hardest-to-

reach people and counties; of refining the programs as we gain both knowledge and experience, and improving their reach as we achieve more adequate funding.

We need to do better in these areas immediately:

1. Infants, pre-school children and pregnant mothers, all individuals where special dietary needs are critical.

I have instructed the Food Program Staff to develop a special supplemental package of foods geared to the special dietary needs of this group. It will include evaporated milk, corn syrup, reinforced cereal.

The package will be distributed through the regular commodity program channels, but it will also be made available generally through health clinics, visiting nurses and medical centers serving the poor. We are making arrangements with the Department of Health, Education and Welfare and OEO to supply these supplementary packages to those who need them on determination by competent medical authorities.

2. Nutrition education efforts need to be substantially improved, both to bring more of the hard-to-reach persons into the food programs and to encourage greater awareness of the concepts of good nutrition, food purchase and preparation and other home food management techniques. We need particularly to involve the food industry in this effort.

- I have instructed the Federal Extension Service to develop in cooperation with other agencies of the Department a substantially expanded program based on the concept of hiring, training and supervising nutrition aides from among the poor. These people will work on a part-time basis with families in their neighborhoods on both out-reach and nutrition education problems.
- I have also met with representatives of the food industry to discuss the best methods by which all segments of the industry can contribute to and cooperate with efforts to improve the level of public understanding of good nutrition. Together with staff people in the Department, these representatives are developing a joint program which will focus industry resources on better nutrition education.
- I am also instructing Consumer and Marketing Service to establish within the Food Trades Staff a special group to work directly with food stores and chains in central city and rural areas to seek ways to raise the level of food service and to coordinate the nutrition education programs which will be conducted in those areas with special in-store programs.

We also will be working closely with agencies of HEW and with OEO to establish uniform nutrition education material and to coordinate efforts at state and local levels.

3. More children need free and reduced-priced lunches. At the present time, over two million children are being reached with free and reduced-priced lunches, but we estimate that at least two and possibly four million other equally deserving children are not. The funds requested by the President this year will enable us to reach more. Further, the passage of the Javits Amendment would permit the use of Section 32 funds for child nutrition purposes (but not for food stamps.)
- In addition, I have instructed the School Lunch Program staff to develop in cooperation with the Education agencies of the States a specific set of guidelines which local school districts will use in determining which child is eligible for free lunches. I also have asked that specific criteria be developed to assure that these children will not be singled out for derision or otherwise embarrassed before their schoolmates.
4. There is need for more effective coordination of nutrition activities both within the Federal agencies and within the Congress. Secretary Cohen spoke of this problem yesterday, and I can only underscore the point that programs in HEW and OEO to locate those who are malnourished and to identify the extent of malnutrition among the American people need to be coordinated closely with the food assistance machinery now available in the USDA and other agencies.

The operation of these programs to improve diets must likewise be administered with a constant awareness of their impact on the production and marketing of food.

There have been a number of proposals to cope with the need for better coordination, and I would not burden you with an account of them. I would urge the Committee to give this matter serious consideration as the basis for a Commission to study and to report to the Congress and the Nation.

The final point I want to present has both immediate and long term considerations. Until we develop the kind of program which deals with poverty as a whole, we will need to continue to attack the individual problems which grow out of poverty -- such as hunger and malnutrition.

I am convinced that the best single purpose tool to combat these twin menaces of inadequate diets is the Food Stamp program. I, more than anyone else, recognize there is room for improvement. If we are to effectively reach poor families in their homes it will require a Food Stamp program which:

- * Operates in every county and independent city in the country;
- * Has eligibility standards that encompass all financially needy families;
- * Is accessible to all eligible families -- with States and localities giving prompt and prudent certification services and locations readily accessible to those who purchase coupons;

- * Makes available to each participating family sufficient total food stamps to provide an adequate family diet -- with the family investment related to its basic ability to buy food.

This is the food program we need to operate and fund. There is no other approach now available which gives the promise of eliminating hunger and severe malnutrition.

We cannot develop, fund or place into nationwide operation this food stamp goal this fiscal year, or even in the coming fiscal year. But we must continue the momentum we have built up.

I urged the House Agriculture Committee earlier this week to support authorization legislation which would place no specific monetary limitation on the program. Sufficient authorization is necessary so the Executive branch of the government and the Congress can have adequate authority to make the wisest decision in the appropriations process.

Let me make it clear that I was not in making this recommendation nor am I now advocating expenditures in excess of the budget the President has sent to the Congress. Currently Congress is considering a tax increase-appropriation cut bill. When Congress has worked its will on this matter, the Executive branch of the government will make the necessary budget adjustments. I hope that the judgments made as to expenditure levels for the Food Stamp Program will not be limited by inadequate authorization.

I can illustrate the need in this way.

There are 1,027 areas now operating under this program, and about 200 will be operating on full-year financing for the first time;

There are 239 project areas already approved, and they are waiting now to begin operations;

We expect to receive requests from at least 100 more areas in the next few months, and they will be added to a list of nearly 145 areas which have been waiting until they could be approved to start planning a program.

I cannot, at this point, forecast precisely the maximum possible pace at which we can proceed to move toward the goal of a nationwide Food Stamp Program. Nor can its ultimate costs be predicted. There are too many variables which today remain uncertain.

But the need to eliminate hunger is clear, our responsibility -- yours, mine and the public -- is clear, and our commitment is clear.

I hope that these hearings will enable all people to gain a clearer understanding of both the progress which has been made in the past year -- and in the past seven years -- and of the extent and nature of the problems which remain.

Unfortunately, there has been more emotionalism than reason surrounding much of the recent public debate of this issue. Every sensitive American feels emotion and deep concern because there are still hungry Americans in this land of abundance. Yet we must not allow emotion to obscure the complexity of the problem, the progress that has been made to provide better diets for the poor and what remains to be done.

Without reason and cooperation, we cannot hope to achieve the progress we all desire. Those who want greater progress, unless they are aware of what has been done and of the promise of more, may turn to less constructive methods to achieve their goal; and those who really want to continue to move ahead, unable to understand this reaction, may not support the effort when it appears to only threaten domestic order.

Nor can we afford, while concentrating on the alleviation of hunger as an immediate challenge, to forget its basic cause, which is poverty with its attendant degradations, physical and spiritual.

Clearly we must seek to close our divisions, rather than to increase them, and then move resolutely forward to the day when every American has access to a complete and nutritious diet and to the fruits of an abundant economy.

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Testimony by the Honorable Orville L. Freeman
Secretary of Agriculture
before the Senate Agriculture Committee
Monday, June 24, 1968

Mr. Chairman, Members of the Committee, I appreciate this opportunity to appear before you in support of S-3590, this Committee's bill to extend the Food and Agriculture Act of 1965. If I may say so, the Committee has done its work expeditiously and well:

First, in drafting a four-year bill, you have recognized the difficulties that farmers faced under the old year-to-year approach of some previous farm legislation. With today's high land costs, massive capital inputs and increasing reliance on commercial exports of farm products, S-3590 would give some long-term assurance to farmers of conditions under which they will have to operate in the years ahead. In an industry beset by great natural uncertainties--of weather, insects and plant diseases--you have eliminated one of the man-made uncertainties that marred previous attempts to meet the farmers' problems.

Second, you have built wisely on the solid foundation of time-tested programs developed during the sixties, programs that have proven their worth in meeting many of agriculture's basic and continuing problems. At the same time, you have recognized that changing conditions call for changing response, and you have included new approaches to further strengthen and extend the basic legislative package.

This basic package, which your Committee has had such a large part in developing over the past seven years, represents a unique departure over the past. It recognizes that overproduction is a continuing problem--not a

temporary phenomenon. It recognizes that conservation of natural resources is part and parcel of any successful commodity program--and it makes provision to enhance these resources. And finally, it recognizes that neither government--alone--nor individual farmers--alone--can meet all the problems forced upon us by a rapidly changing world--and so our programs are administered through a unique partnership of government, farmers, and their organizations.

So today we have a wide range of programs woven tightly into a coordinated farm and food policy aimed at underpinning and strengthening America's family agriculture.

These programs--commodity, export, foreign aid, domestic food aid, resource development--interlock to form a total structure that is greater than the sum of its parts. They operate as a team. Each program has its own function, but all mesh to enhance the final result.

Agricultural exports provide a good example. Last year we exported products equivalent to the harvest of 71 million acres. A vitally important factor in these exports is our commodity programs that keep us competitive in commercial world trade and, through certificates and direct payments help make up the difference between world prices and parity to farmers.

Another part of our export program is Food for Freedom, which moves about 4 percent of our production to developing countries, helping them over the worst of their existing food shortages and aiding them to build their economies so that they can eventually become dollar customers for our farm products.

Nothing in this world is static. So we have a dynamic program which enables us to shift production to meet changing circumstances each year and

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at the same time maintain farm income. Right now, for example, we are expanding cotton, and rice production while holding down wheat and feed grain production, all under the same basic legislation. In conjunction with other programs we are able to maintain balanced abundance while adjusting our resources to growing needs for conservation, outdoor recreation, wildlife, and natural beauty.

Another important tool is Section 32. With Section 32 funds we will buy \$ 173 million worth of food this year for distribution to children and needy people here at home--thus bolstering weak prices of overabundant crops and improving the diets of our people. With the food stamp program we will help feed nearly 3 million of the poor in the next year.

All these programs working as a team are helping to move our agriculture forward on the highway of progress.

But they are neither perfect, nor perfectly operated. I realize, far better than most, that not all our objectives have been met. We must improve them. We must coordinate them more closely with the activities of individual farmers and farm organizations. But this can be done and it is being done. Since I testified at length before this Committee two months ago, I shall not take much of your time today. But I believe it is noteworthy that under the Food and Agriculture Act of 1965 and predecessor legislation we have:

*Eliminated the surpluses that clogged our warehouses during the fifties, and have prevented the buildup of new surpluses;

*Fed nearly six million of the needy at home through the food stamp and direct distribution programs, and are now rapidly improving and extending these programs;

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*That farm income--while still not high enough, by any means--is substantially higher than in the pre-1960 period, and roughly 50 percent higher than it would be in the absence of our commodity programs;

*Have enabled American farmers to rapidly expand their exports for dollars, tapping a global market that now takes the harvest of one American acre in each four;

*Are able to move quickly in response to rapidly-changing world weather and market conditions, as evidenced by recent changes in the cotton, wheat rice and feed grain programs, to name only a few.

Now let me cite a few specific examples:

The feed grain part of the Act of 1965 has, among its basic objectives, attaining supply-demand balance and enabling our grain to move into world markets. It is also designed to mitigate the sharp up-and-down cycles of livestock production summed up in the old truism, "cheap feed means cheap livestock."

How well have these objectives been met?

1. Our feed grain stocks are estimated to be well within the desired carryover of from 40-50 million tons.

2. The flexibility in the program enabled us to adjust the acres removed from feed grain production and placed in conserving use from 20 to 34 million as the situation warranted.

3. Feed grain exports are expected to be more than 23 million tons this marketing year--82 percent greater than in the 1960-61 year. Within that total, corn exports are up 114 percent.

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4. Livestock producers have been relieved of the sharp ups and downs of previous years.

Hog production is a good example. The December-May pig crop is about the same as last year--down just one percent. Producers have indicated their intention to have about the same number of sows farrowing between June and November as in the same period last year--actually about two percent more.

For the entire year of 1968, pig production is estimated to be just slightly larger than in 1967 and only a little larger than the average for 1961 through 1966; this in contrast to the sharp ups and downs when there were surpluses of feed grains with resultant low prices. Under those circumstances, the grain producer tries to make more money out of grain by feeding more hogs, and farmers primarily in the hog business are tempted to take a flyer on cheap feed. Everybody loses.

One reason we were able to avoid this is the government-private-sector partnership upon which I touched earlier. Throughout this year and last the Department has been in close, continuous touch with both hog and cattle producer organizations, as well as the general farm organizations. We have reviewed with them all aspects of feed grain-hog-cattle prospects. These organizations have encouraged their members not to over-produce, and I believe it is evident that this encouragement has paid off.

Next, let's look at wheat. Last week, after long study and consultation with Members of Congress, farm organizations, our advisory committees and individual wheat and grain producers, we announced (1) a 13-percent reduction in the 1969 wheat allotment, together with (2) additional diversion payment

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at the maximum acreage and at the maximum rate of payment authorized by law. Our goal is a total reduction in wheat acreage of around 18 percent. We were able to do this because of the flexibility provided in this landmark 1965 legislation.

It is well that we had this built-in flexibility. World wheat supplies have fluctuated sharply in the last two or three years. The program has responded rapidly to these changes, allowing us to avoid the twin spectors of world-wide glut or world-wide famine.

We now face larger world supplies and a build-up in total U.S. stocks, so that by next July we anticipate stocks to be somewhere between 600 and 700 million bushels. In response to these developments, last week's announcement should enable us to reduce stocks by some 100 million bushels in 1969.

Similarly, in cotton, the workability of the 1965 Act has been thoroughly tested and has been found to be satisfactory. Our cotton stocks have dropped more rapidly than we anticipated because of two years of unprecedented bad weather. This year's cotton program is reacting to that fact. Acreage diversion has been reduced, incentives for quality production have been increased, government stocks have been moved, export sales have been pushed, and, above all, cotton farm income has been protected and maintained through this difficult period, now entering its third successive crop failure. For many cotton farmers in the Southeast and Texas, the diversion and price support payments were literally a life saver when floods, drought, and early frost destroyed or greatly reduced their crops.

So in all, these voluntary adjustment programs, together with the longer term Cropland Adjustment Program, have enabled American agriculture to maintain balance.

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The CAP is a vital and necessary part of this total package. The agreements that remain in effect five to ten years are beneficial to farmers and the public, and are a necessary supplement to the annual adjustment programs. Older, part-time farmers are able to place their farms in conservation uses with assurance, allowing them to remain on the farm and enjoy the benefits of rural living.

And CAP helps meet the outdoor recreational needs of a growing U. S. population. Its public access features have opened up more than a million acres of privately-owned farm land for public use in hunting, hiking, camping. At the same time, farmers' income is helped with a small per year additional payment. Greenspan has aided 137 communities to acquire eligible land and move it permanently from cropland to parks, playgrounds, picnic areas, and other outdoor recreation to desperately needed by many of our small communities.

The extension of this legislation along the lines embodied in this Committee's bill, S. 3590, is urgently needed. Passage at this session of Congress will enable farmers, government, Congress, and the citizens to plan ahead with the certainty that, at least for the next four years, there will be sound, workable basic farm legislation.

I also want to affirm my support for the package of amendments to the Agricultural Marketing Agreement Act of 1937 that are included in Title IX the farm bargaining portion of S. 3590. This would make available to farmers the same set of tools for improving their bargaining position as was included in Title II of S. 2973, with certain exceptions.

In earlier testimony before this Committee, on April 24, I stressed the need for new legislative authority to make farmer bargaining power an

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effective force through use of government marketing orders to enforce marketwide compliance by farmers and buyers alike. That need still exists and I urge you to make these self-help devices available to producer groups.

The present bill would exclude a number of commodities covered by current farm programs from the bargaining provisions of Title IX. It is true that producers of these commodities might not take advantage of bargaining programs at this time, even if available. However, we believe it would be advantageous to have bargaining authority available on a standby basis for possible future use by producers of these basic commodities.

This self-help enabling legislation set forth in Title IX is needed to supplement existing government programs. The bargaining provisions authorized by S. 3590, combined with the basic commodity programs that are updated by this same bill, will give American agriculture a firm base for stabilizing prices, assuring adequate supplies of agricultural commodities, and maintaining adequate farm income.

Two months ago today, when last I had the privilege of appearing before this committee, I testified that;

"Farmers find their destiny being shaped by forces over which they have little or no control. Both government programs and private business initiative act upon farming with considerable power and organization. Farmers are increasingly frustrated at the lack of an opportunity collectively to represent themselves and their interests with a similar degree of organization and power. Farmers see group action, as representing special interests, growing in frequency and effectiveness. Farmers want the opportunity to represent their interests with disciplined group action."

I would reiterate this statement today. A device for farmers to act in unison to further their interests is much needed and long overdue. This Committee wisely recognize that fact and has acted to extend to farmers many of the rights granted other segments of our economy many years ago. Your proposal has the potential for answering many of the problems now besetting agriculture, for those groups who wish to take advantage of it. It has my whole-hearted support.

Thank you, Mr. Chairman, and Members of this Committee.

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I want to compliment the members of the American Library Association on the selection of the conference theme, "Libraries Unlimited: Meeting the Challenge of a Dynamic Society."

Perhaps at no time in our history have we faced greater social challenges than we do today, and at no time has there been a greater need for information -- facts on which to make sound judgments in meeting those challenges.

I also want to compliment the Association on its choice of a president -- Foster E. Mohrhardt, who retired not long ago as director of the National Agricultural Library.

I'm glad to see that his peers agree with our evaluation of Foster, who has contributed so much to the National Agricultural Library and to librarianship.

For the past several years, the Department has been marshalling all of its resources in attempting to meet the food and nutrition needs of an expanding society. Because information is basic to any research and educational programs we can develop, we at Agriculture have tried to emphasize the importance of the library in general, and our library in particular.

Statement by Secretary Freeman opening press conference at American Library Association Convention in Kansas City, Missouri, at 2:15 p.m. June 25, 1968.

In 1962 I authorized recognition of its national responsibilities by renaming it the National Agricultural Library, and in 1963 transferred it to the Office of Science and Education where its role and functions would be more clearly recognized.

We have under construction at Beltsville, Maryland, the nerve center of our research activities, a 15-story building which will be ready for occupancy this fall. This new National Agricultural Library, as a source of worldwide knowledge and a workshop for scientific research, will for years to come represent the dynamic interest of President Johnson and Vice-President Humphrey in providing a national base for research and education.

We will move our Library collection, which has grown from the 1,000 volumes inherited from the Patent Office in 1862 to more than a million and a quarter volumes today.

The Library's developing communications programs and techniques are devoted to the task of making this physical file available to users wherever they may be. Our current services and programs are being examined in the light of this requirement and redirected where necessary. Computer technology is being utilized to restructure the entire bibliographic apparatus of the National Agricultural Library so that a complete machine record of all documents will be available.

We are cooperating with the other two national libraries -- the Library of Congress and the National Library of Medicine -- to insure that our mechanized systems fit together.

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Our goal is an interlocking network of information in all areas of man's knowledge.

The world network is a very important one in our future planning. I'd like to suggest you visit our exhibit in Booth 419 where you can see and hear more about our ultimate goal of a world-wide network for agricultural knowledge which will provide agricultural scientists and the interested public everywhere with both the means for identifying informative documents related to their individual interests and the mechanism for the high speed delivery of the documents themselves.

This bank of ready knowledge will be an important weapon in the War on Hunger both at home and abroad. The tragic thing about the World food problem is that it need not be -- and it need not grow.

We are dealing with a race between what could be done and what will be done as much as with a race between population and food supply.

We already have the knowledge and the resources to achieve the desired balance between food and people. What is lacking is the willingness to commit this knowledge and these resources to an all-out attack on hunger.

I feel so strongly about this that I have, as you may know, written a book, "World Without Hunger," outlining a course of action that I feel we can take and must take to banish hunger from this world.

If we do that, we will have gone far to meeting the challenge of our generation, the challenge of turning the scientific, technological and information explosions of our time to the advantage of the human race.

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PUBLIC FORESTS AND FUTURE GENERATIONS

James Fergusson, whose historical work is a classic in your field, referred to architecture as queen of the fine arts. I feel privileged to speak to you members of the American Institute of Architects who are in the service of that queen.

My theme today is a rather broad one -- the philosophy and operation of public forests and open ranges as a trust for future generations. To deliver this in 10 minutes -- a theme that has been building for over 60 years -- is no small task.

Perhaps it can be made easier if I were to borrow something from the subject of architecture and use it as a framework for my brief exposition.

Panel statement by Secretary of Agriculture Orville L. Freeman at Convention of The American Institute of Architects at the Portland Civic Auditorium, Portland, Oregon, 10 a.m., PDT, June 26, 1968.

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The ancient Roman architect Vitruvius, as you know and as I recently learned, maintained that the three qualities that distinguished a fine building are stability, utility, and beauty. These three qualities lend themselves perfectly to my theme. For if they are the marks of a fine building, then the National Forest System has been built well according to architectural principles -- and conservation principles too, which are pretty much the same, as I will show.

This edifice to conservation reared by the U.S. Department of Agriculture has been a landmark by which others have guided their efforts in almost the same way -- in a manner of speaking -- that the Gothic cathedrals served as landmarks for similar though smaller constructions.

The qualities that Vitruvius spoke about are, in essence, the foundation on which the philosophy and operation of the public lands entrusted to our Forest Service rests. Let me touch briefly on them, one by one, in the hope that they will illuminate the entire structure as it appears now and will in the years to come.

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Stability in National Forest management means the assurance of a continuous supply of renewable natural resources from these public lands. The days of cutting down vast tracts of timber, leaving behind a badly impaired land and moving on to other areas ready for the ax are gone forever.

Both government and private industry have long recognized that forest resources are limited and that more can be gained in the long run through scientific management of these resources than through the long past "cut-and-get-out" method.

Stability on the National Forests -- and, I might add, on many large private forest holdings -- is attained through the sustained-yield principle. In practice, such renewable resources in our forests as water, wood, wildlife, and forage are developed individually in a way that assures high-level output of each resource without impairing the land's productivity. At the same time, new growth is put back into the forest, or certain watershed or wildlife methods are used, to balance what has been taken out of the forest.

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Through the sustained-yield principle, it is possible to maintain an indefinite state of resource abundance. This is made even more possible when our efforts are aided by forestry research, by effective planning and protection, and by controlled production and harvesting.

Based on this principle alone, we need fear no shortage of forest resources for future generations. On the contrary, we are certain that future generations will find many of our public forests in much better shape from the standpoint of development and productivity than they were when they first came under the National Forest System.

Utility is the second architectural quality I want to talk about as it applies to the conservation of forest resources. These resources, I would emphasize, are not frozen assets. From the beginning of the National Forests they were meant to be used for "the greatest good of the greatest number in the long run."

This utilitarian philosophy is the backbone of National Forest management. We call it the multiple use principle. In essence, it recognizes the needs of all forest users and motivates foresters towards managing forest lands in a way that will benefit most people.

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Though this principle had been in practice for years it was not until 1960 that Congress gave it official recognition with the passage of the Multiple Use-Sustained-Yield Act.

A look ahead to the year 2000 will give you some idea of how important this principle of using all forest resources is to the Nation. In just a few decades, there will be over 300 million of us in this country, on the same amount of land.

Our demands on natural resources are expected to mount sharply during those decades. More wood for homes and other products. More and cleaner water for a multitude of purposes. More recreation areas for a population with increased income and leisure. Better ranges for larger herds of livestock. More fish and wildlife for swelling numbers of outdoor sportsmen.

It should be quite obvious that a planned, systematic use and renewal of all forest resources is the only way that we can meet this variety of increased future needs. There will be exceptions to this public land policy, to be sure. The Forest Service has pioneered the concept of setting aside certain lands for wilderness and esthetic purposes. These lands have a special significance for many of our people and are as necessary in their way as are the working, productive forests.

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Our National Forest System rests then on utility -- multi-purpose uses for many different kinds of forest users. You can well see that conflicts over the priority of uses or misunderstanding about the philosophy of multiple use may sometimes occur. In many cases, this could be cleared up if certain forest users looked beyond their particular interests and adopted the long-range vision of forest managers who see enough for all through planned development and use of all resources.

Our stable and functional structure, as we have seen thus far, has been built to last. Many of our programs extend into the future in anticipation of new stresses and strains that will be placed on the National Forests. Judging from the experience of the past, through good times and bad, they are ready to meet new challenges.

The third quality -- beauty -- is synonymous with our public lands. Some of the most esthetically-pleasing landscapes are found on our National Forests. In addition, one of the Department's prime objectives is the enhancement of natural beauty, particularly in areas where past scars appear or where the harvesting of timber has left a temporary blemish on the landscape.

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To demonstrate our concern about esthetic values and our ability to safeguard them, our Forest Service is now engaged on a large scale in "environmental architecture." They are aided in this by a staff of professional landscape architects and by research into the development of better concepts and methods of landscape management. Our objective is to fit into the forest landscape such activities as road construction, watershed work, recreation development, and logging in a way that will enhance or protect scenic values. We are, for instance, beginning to get away from the square and rectangular blocks characteristic of cutting a limited area clear of timber. This, we found, can be done in patterns resembling natural configurations of the landscape and be less objectionable to the eye.

In any case, the maintenance or enhancement of natural beauty and the recognition of such beauty as a resource that must be managed as any other resource is managed are items that ornament the National Forest structure and assure our children of countless outdoor esthetic experiences.

I would like to mention two other points that are connected with our trust. Since 1961, architects in the Forest Service as well as architects outside of the Federal Government have been designing Visitor Information Centers for the National Forests. We have over 30 of these Centers, ranging from converted forest guard stations to the newest, architecturally advanced facility at Cape Perpetua on the Oregon coast.

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These Centers were designed and built according to their environment and the function they were to serve. Public response to them has been excellent. There we try to get across, to a population that is becoming more and more urbanized, the values and benefits of forest conservation -- benefits not only to the people but to the national economy and well-being.

This need to inform people of the importance of resources is an extension of what we have been doing, in a different way, with small private forest landowners. Through technical help and other assistance we seek to encourage more of them to adopt the sustained-yield principle and other scientific forest management in order to better meet the Nation's future timber needs.

It is an important job for us because over 70 percent of the commercial forests are owned by private citizens. Also, better rural conditions and development in many instances depend a great deal on a good and continuous supply of local wood. While the public-forest sector may be secure as far as future generations are concerned, there is much to be done to bring our private-forest sector up to a more acceptable level of development and productivity.

But here, our own National Forest System is a landmark and a beacon pointing the way to forest conservation in the best sense of the term. A system based on stability, utility and beauty. As more private forest owners build on the same principles I have outlined, the surer we will be of the capability of the Nation's forest resources to meet whatever future demands arise.

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Office of the Secretary

It is a very great pleasure to welcome all of you -- and especially our foreign visitors -- to this second World Conference on Animal Production. I understand that on Wednesday many of you will visit USDA's Agricultural Research Center, and its animal husbandry division. I hope that your visit to our Department is productive and enjoyable. Certainly I shall make every effort to make it so.

From my point of view, you are meeting at a most auspicious time. I have just returned to the United States from a week-long Asian tour on which protein production -- and the means to achieve it -- was uppermost in the discussions I held with both Vietnamese and Philippine government and agricultural leaders. I would like very much to share a few of the thoughts I gleaned on this trip with you today.

Address by Secretary of Agriculture Orville L. Freeman to the Second World Conference on Animal Production, the University of Maryland, College Park, Maryland, July 15, 1968, 10:00 AM, EDT.

Protein deficiency is today one of the world's most serious health problems. As the Department's Dr. Aaron Altschul pointed out recently: "...50 per cent of the world's children do not receive adequate protein. The high death rate of pre-school children, often 50 times ours (in the developing world) can be attributed in large measure to protein malnutrition and hence to poor resistance to infection and disease."

And Dr. Altschul continues, death is only one visible consequence of protein malnutrition. There is also accumulating evidence of permanent mental and physical disability, retarded brain growth, because of protein deficiency in the first few years of life, a "pernicious cycle," Dr. Altschul says, wherein "people are too poor to eat well, so they develop poorly. Unable to achieve, they get poorer."

With this situation extant, it is ironic that much of the world's livestock population, which numbers at least twice that of the human race, also suffers from malnutrition and disease, when, if properly managed, the available numbers could go far toward easing the protein gap in the developing world.

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And it is doubly ironic that with all the attention focused on world hunger in recent years, some world food planners have tended to discount the contribution that animals can make to the world food supply.

There are many reasons for this, but one is that persons without your expertise tend to believe that increases in animal production can be made only by diverting to animals foodstuffs that otherwise would be eaten directly by people. The truth of the matter is, as you know, livestock can consume many foods that cannot be eaten by man -- forage, wastes and by-products like the bran that comprises roughly forty percent, by weight, of paddy rice.

Hence, I think your conference this week is timely, extremely important, and can make a valuable contribution toward solving some of the problems I observed last week in the Far East.

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I am concerned about these problems, yet I am also heartened at some of the new developments I saw in the Philippine barrios and Vietnamese hamlets, where what amounts to an agricultural revolution is now taking place.

It is a quiet revolution, with none of the drama and high visibility of the violent revolutions taking place elsewhere in the world. It is little reported in the press, and less understood by the general public. Yet future historians may well mark it as the most significant event of our decade, one of those fundamental division points in the life of mankind that decisively separates one era from another.

I saw the genesis of this revolution in Vietnam last week, in a four day trip to the Delta and other agricultural areas, these north of Saigon.

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Its first thrust has been in food grains. The new IR-8 and IR-5 "miracle" rice strains, developed in the Philippines at the International Rice Research Institute, reached Vietnam last year. Following the Philippine example, the government of Vietnam, helped by the United States Agency for International Development, prepared and distributed some 10,000 "miracle rice" kits, complete with seed, fertilizer, pesticides and instructions for use.

Each was sufficient to plant and fertilize a one-tenth hectare demonstration plot. On-the-ground help was provided by South Vietnamese extension agents, and AID agriculturists, some of them in Vietnam on leave from the United States Department of Agriculture.

Now this IR-8 is in commercial production in Vietnam. Its yield per hectare is double -- sometimes greater -- than that of traditional strains. It matures in 120 days, rather than the 180 days required by local varieties, which means that the same hectareage can be double or even triple cropped in some areas.

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Some 37,000 hectares of IR-8 are to be planted in Vietnam this year, about two percent of the rice hectareage. Next year, if the farmers I talked to are indicative of the general farm population, the target of several hundred thousand acres will be planted. Our agricultural advisors tell me that the new seed is so popular that some farmers are getting over 40 piasters per kilo for their IR-8 seed rice, compared to a third of that price for food rice. So Vietnam may well be rice self-sufficient in a few years.

Greater yields have generated greater income. With this added income Vietnamese farmers are investing in small irrigation pumps, motor bikes and more fertilizer. They're going in for custom land-leveling so that they can irrigate, and even custom plowing of their land by tractors; in short, trading subsistence farming for the early stages of commercial farming. In the process, they are generating a demand for the products of industry, and we're witnessing the first stages of what could become an economic boom.

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This is what's happening now. The portents for greater animal protein production are just as great. Experiments in the Philippines show that with specially developed grain sorghums suitable for the tropics, one 6-ton crop of IR-8 can be grown per hectare, then three cuttings of grain sorghum, yielding 6, 5½ and another 6 tons each, can be grown on the same hectare-age, providing hope for the development of feed grain livestock production much as we have in our midwest.

Tests in Vietnam of some 30 varieties of grain sorghums have identified 7 that show special promise for high yields there. Some of these strains have yielded 4 to 6 tons of grain per hectare. Their tolerance to variable water availability makes them particularly attractive, since they can be combined with IR-8 as a second crop.

Another possibility is soybeans and sweet potatoes. At the International Rice Research Institute test plots are yielding 20 to 25 tons of potatoes and another 25 tons of forage per hectare. If these experiments hold up in practice, they could provide a substantial amount of swine feed.

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With forage production as efficient as this the old rule that the tropics cannot afford animal protein may be repealed. I don't mean to be overly-optimistic. Mammoth problems remain; drying facilities to handle the new rice crops; transportation and storage capable of handling the larger yields; the whole problem of animal disease, barely touched in many developing nations.

But the beginnings are impressive, and the future can be even more so. Right now chickens in Vietnam are selling for \$1.00 a pound, liveweight; and hogs for almost as much. I talked with advisors at one refugee camp where families raising 300 chickens or so are making twice the income -- about \$120 a month -- than are skilled carpenters working in the cities.

If a steady supply of feed grains and forage can be developed, and if the animal disease problem can be overcome, livestock production could make a valuable contribution to better nutrition in Vietnam and in the process go far toward winning the allegiance of the South Vietnamese farmers, who comprise about 65 percent of the total population -- a percentage of the population similar to that of many, if not most, developing nations.

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But as you, who are so intimately involved with the problem of protein production know, mere availability of feed, important as it is, is only the first step in a long and complicated chain that turns feed into animal protein for hungry bellies. Another problem the animal scientist faces is one of production efficiency, a problem all the more challenging now that major breakthroughs in forage production appear likely in tropical agriculture.

Here in the United States, we've had considerable success in improving the rates at which our animals convert feed to food. In broilers, to name one outstanding example, growers are getting a pound of chicken from every two pounds of feed. Per-animal production of milk, eggs, beef, and pork is also increasing steadily.

This is not the case in all countries of the world, and certainly not in all of the under-developed countries. In some countries, efficient animal production may have to await improvement in local economies and upgrading of the agricultural establishment in general. But in others as the revolution in tropical agriculture moves forward the opportunities to expand livestock production are exciting.

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Certainly we should begin now the research that could form the basis for animal agriculture in these countries. Different species and breeds can be screened for their adaptability to various regions, and locally available herbage can be analyzed to determine its potential as animal feed. Many poor nations possess land that would be more than adequate for livestock production; they lack only the know-how to use it efficiently.

The hungry man, so long neglected, has at last been recognized as worthy of our most concerted effort. In the final accounting, it is we who will wind up in debt to him. Because when we pool our efforts to increase food production, we pave the way for a unified attack on other world problems whose ultimate solution contain, most literally, the seeds of world peace.

Again, welcome, May your sessions be productive and your stay here at this great University enjoyable. Thank you.

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THE CREATIVE CRISIS

When I consider that we are approaching the close of a remarkable three-year consultation on the Future Environment of a Democracy, I'm reminded of a young clergyman back home.

He was preaching his first sermon in his first little country church, and he was very eager to do well. He had painstakingly prepared a dramatic sermon beginning with the words: "'I am coming!' said the Lord." But the moment he uttered this sentence his mind went blank.

He repeated his opening with even greater force -- "I am coming!" said the Lord. Again, the complete blank.

Desperately, he tried once more -- with all the vigor and power he could command, at the same time throwing himself forward in the pulpit -- "I AM COMING!" SAID THE LORD.

Address by Secretary of Agriculture Orville L. Freeman at seminar on national development policy, Regional Conference on the Future Environment of a Democracy, sponsored by the American Institute of Planners and association organizations, Hot Springs, Arkansas, July 17, 1968.

Unfortunately he didn't know his own strength. The railing of the pulpit broke. Worse still, his momentum was such that he pitched right out of the pulpit and fell into the laps of two stout ladies in the first row.

The young preacher picked himself up and in great embarrassment began to make profuse apologies.

One of the women raised her hand. "That's all right, Reverend," she said. "Don't take on so. T'wasn't your fault. If we had good sense, we'd have moved. You warned us three times you was comin'."

We in the Department of Agriculture concur wholeheartedly in the repeated warnings you have been giving to the American people on the challenge before us.

We are totally committed to the purposes and scope of this conference and the others that have gone before.

We have taken an active part in most of the conferences and have co-sponsored two of them -- one covering the Appalachia region and this one. Our technicians and administrators are making good use of the thoughtful papers generated by these meetings. They will do so even more in the future.

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Last year in Washington, I said the American Institute of Planners deserves the highest praise for sponsoring a meeting entirely devoted to the great issues that will confront this Nation in the future. I repeat this commendation today.

I hope the Planners will follow-up with books and articles based on the discussions at these meetings -- will develop a permanent forum where the Nation's leaders, specialists, and philosophers can proceed with these enlightened and enlightening debates -- and will continue to hold before the Nation the awesome issues that will determine the lives of our children and their children.

In the Department of Agriculture we have a special affinity, a special sympathy, for what the Planners seek to do in this series.

We, too, have been trying to get the Nation to thinking about the vital issues of future development and growth as these affect America's small towns and farming communities and ultimately affect all Americans, wherever they live.

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We have tried to get across the idea that the Nation is an ecological system -- a system in which all the institutions and centers of life, be they urban or rural, are closely interrelated and interconnected.

We have tried to offer an alternative to the tunnel vision that seems to be a product of our specialized era -- the vision that focuses on the here-and-now particular, while ignoring the general and ultimate future effect.

We have urged an awareness of what is really happening out in the countryside, in the towns and villages, and on the farms.

Enlightenment, like charity, begins at home, and so the programs of the Department of Agriculture have been changed, often drastically, to provide rural communities with modern services.

We can see some satisfying results.

Opinion makers are more aware of the need for decentralization of people, of industries, of institutions. You can't pick up a major newspaper or magazine these days without finding some reference to the potential for growth and development of the Nation's non-metropolitan areas.

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Important industrialists say publicly what many of them have acted on right along. It is this: Rural growth centers offer some of the best sites for industry, when you consider all the factors.

Respected, blue ribbon panels, such as that headed by former Kentucky Governor Breathitt which looked deeply into the subject of rural community development and rural poverty, arrive at recommendations very similar to those advocated for many years by the Department of Agriculture.

Other Federal agencies, such as HUD, HEW, Commerce, and OEO, have developed programs in the past few years that indicate a new awareness of urban-rural interrelationships and offer support for nonmetropolitan America.

State governments have always held the small-town farming interest paramount. This we know. However, too often the emphasis has been misplaced or negative. But a change is taking place. Some States -- not nearly enough but some -- are moving on a variety of fronts to modernize and up-date rural government, promote consolidation, help with local industrial development and planning, and supply technical and administrative support to form new substate groupings. Such developments are underway in New York, Iowa, Missouri, Georgia, Texas, California, Nebraska, here in Arkansas, and elsewhere.

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We can see the results of all this in a rural awakening. Things are happening.

Small cities, many of them serving rural areas, are proportionately the fastest growing centers of population.

Factories and other installations are moving into rural America at a steady rate.

The population outside the 220 or so standard metropolitan areas is stabilizing.

This important conference itself proves how far we have come. I just don't believe a meeting centered on the growth potential of rural areas with this sponsorship and diversity of interest could, or would, have been held six or seven years ago.

It would be easy to become self satisfied over what is happening -- what is being said and written -- programs being devised -- progress being made to strike a reasonable balance of people, of jobs, and of opportunity between the cities and the countryside in the Nation's future.

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Unfortunately these days a Secretary of Agriculture, or a Secretary of Anything, for that matter, doesn't have time to feel complacent or spend any time at all enjoying his small victories.

The times press upon us inexorably. What would have been a major breakthrough a few years ago now is brushed aside, even by one's friends and supporters, as a palliative at best. Administrators in high places run like crazy and thank heaven at the end of the day that they've not fallen even farther behind.

I do not feel complacent about the progress being made to implement a rational development policy for the Nation. I will not encourage you to feel complacent. I know how feeble our efforts are compared with the increasing demands and pressures of the times we live in. The simple fact is we still don't have a national policy and we desperately need one.

Those of us who regularly attend meetings such as this are by now bored with figures about population growth and population concentration -- with endless statistics on strip cities -- on pollution -- on the exhaustion of our natural resources -- on the problems of the ghettos -- the formless, planless scatteration of the suburbs.

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When the moving finger wrote on Nebuchadnezzar's wall the first time, it stunned the company. The ninth, or tenth, or eleventh time, it just becomes a bore.

Yet, I am impelled here to reiterate a few of the most ominous facts.

- Seventy percent of the American people now live on less than 2 percent of the land.
- By the year 2000, the U.S. population could increase by one-half. If present trends continue, we are told, virtually all of this increase will come in metropolitan areas.
- Five enormous strip cities will inundate present commercial and administrative centers along the East and West Coasts, and within the country's heartland.
- Those Americans who don't live in the monster strip cities, will inhabit 10 or 15 mini-megalopoli, each nearly as large as all but the largest cities today.

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We probably will have the material means to develop and run such huge concentrations. And, heaven forbid, we may end up having to do it!

Higher highrises can be built. Deeper tunnels can be dug. Freeways can be constructed over freeways. Honeycomb family dwelling units can be designed. Helicopters can fly, more or less safely.

Here I agree with the theorists, planners, and philosophers who not only acknowledge the inexorable march of megalopolis but eagerly await its coming. It can be done.

Where we part company is over the question whether Americans as a people should be forced to live in this kind of environment and the highly structured and controlled society it will surely spawn.

If I am correct, and if many others who today deeply question the mass urbanization of America are correct, then we must make a conscious effort now, immediately, today if not yesterday, to halt the onrush of megalopolis.

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People do not want to be prisoners of megalopolis. A Gallup poll released this year indicates that, were jobs available, a majority of the American people -- 56 percent -- would prefer living on the farm or in small towns rather than in cities and suburbs. And the proportion is rising.

But if the American people are to have a choice we must begin to shape and order change. Otherwise we will be tyrannized by it.

We must make dynamism and creativity work to produce a humane environment -- rather than permitting these great forces to overwhelm us and to reduce us to ciphers.

Yet we do not now have the weapons to bring these forces under control.

When all the figures are in and have been analyzed -- when the last speech has been made in the last conference -- when the trends have been clearly plotted and the projections made for all to see and understand -- when the ultimate Jeremiah has fallen silent and his last ringing cry about the future we face is but an echo, we are still confronted with this reality: We do not now have the weapons we need.

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The first of these is the weapon of public opinion. I do not believe the American people as a whole understand what is happening to their country.

Lacking understanding, we lack the motivation to act. Concern about the crisis in the cities, yes. Annoyance at the inconveniences and abrasions of suburban living, yes. A vague disquiet over pollution and proliferating ugliness, yes.

But no general awareness of unbalanced growth, of the rapid descent into a condition in which -- 20, 30, 40 years hence -- mass population impaction will be a rigid reality, and the best we will be able to do is to try to adjust.

Because America does not have a sense of the total crisis, the people see no need for a unified, clear-cut national policy to overcome the crisis.

Without a deep-running feeling on the part of the average citizen that we do need to decentralize some of our new commercial and industrial activity --

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that we do need to build new towns outside of metropolitan America -- that we do need to encourage families to relocate -- that we do need to invest huge sums in the development of rural areas -- without this firm awareness, this gut feeling, there can be no national policy which will enable us to accomplish these tasks on a massive scale.

We still lack this feeling of urgency. Therefore, we have no heart to accomplish the fundamental reforms in our institutions that would give the citizen and his elected officials tools to shape their environment.

The drives of reformers and of enlightened administrators and politicians to modernize State and local government seem to fail as often as they succeed. We have just had an example in a State bordering Washington, D. C., of a monumental failure to gain approval of painstakingly prepared and wholly reasonable changes in the State's constitution. The voters, a big majority of them, just couldn't see the need for modernization.

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The successful, balanced long-range growth and development of the Nation's major regions and sub-regions are very closely related to how land is used. Land-use policies, as we know, are almost exclusively a State and ultimately a local function -- or in too many cases, nonfunction.

The concept of land-use control by the State is rooted in the enlightened theory that the public interest can thus be preserved while the private owner may at the same time enjoy the fruits of his hard-won property. Yet at present the public interest too often is ignored or subordinated -- to the everlasting destruction of community values and goals by vested property interests.

Every day in almost every one of our field offices, personnel of the Department see examples of land resource exploitation and misuse that spell trouble -- often big trouble -- for the communities concerned. The Department is generally powerless to do anything about it. Many times the local authorities who have the power to act do not have the desire.

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They do not feel the need.

In these two vital areas affecting the long-range development of the Nation -- local government and land-use control for the benefit of the entire community -- I see a general loss of direction, a failure of the system.

I simply do not believe that if Americans felt the sense of urgency I spoke about a few minutes ago, they could fail to demand the reforms, the new institutions, and the new public controls that would enable them to shape and order the future environment in which their children and grandchildren will live.

No one who understands the creative genius, and the political well springs of our Federal-State system would advocate that we substitute some type of monolithic, centralized planning system to cure the many ills I have described. This would be no cure; it would be a disaster.

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Yet there does need to be a new recognition that the present chaos of plans, policies, and programs at every level of government, and within the private sector as well, is frustrating the ideal of promoting an environment tailored to the requirements of a progressive society that satisfies the human need for order, for beauty, for creative growth.

Surely the political genius of this Nation can create methods of establishing and carrying forward an acceptable national development policy that will guide the growth and shape the environment of our regions, States, and localities.

We know that local governments must join together in planning within substate regions, in sharing services, in solving problems that affect many jurisdictions.

Congress now is considering amendments to the long-standing program of Federal assistance for local planning that will encourage such cooperation. Yet unless sufficient funds are committed to the program, and unless States and localities get behind it, sufficient progress will not be made.

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We know that the community as a whole must have a greater say in the way natural resources -- particularly land resources -- are used. Yet in vast areas of the Nation, local and land-use controls are nonexistent, weak, or administered in a fashion that makes the whole process a joke.

We know that irresistible forces of growth and change can be the breeding ground of desperate problems in the future. Yet not only in big cities but in some rural areas as well, mushroom growth and unplanned chaos too often masquerading as progress are destroying all hope of building satisfactory livable communities.

We know that the emptying out of people from farms, rural villages and towns in certain sections of the country is causing a breakdown of family and community life and the impaction of cities by the desperately poor.

We know that the uneasy coalition of seething inner city, affluent suburb, and crumbling fringe which constitutes metropolitan America cannot be permitted to continue on a blind rush to self destruction.

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We know all of these things. Are we willing to act on the knowledge?

Will we authorize our Federal executives to act with imagination and dispatch in reshaping Federal programs? Are we ready for a national policy which clearly sets national priorities and how to reach them?

Will we agree to spend the vast amounts of money necessary to influence what is done by the States and localities?

Will we support creative new techniques -- and controversial old ones -- needed in the struggle for rational development? How far are we willing to go, for example, in encouraging the decentralization of business and industry to subregional centers? Or in consolidating and decentralizing Federal services? Or providing housing and welfare incentives that will lure people back to the small towns and rural communities, rather than the other way round, as has been the case?

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The technique of building new towns as growth centers for lagging regions shows tremendous promise. Yet a modest proposal to encourage this approach through Federal support is now in real trouble in the Congress. Apparently this creative technique doesn't have many supporters.

I sometimes think our society is in much the same situation as the motorist going down a steep, winding mountain road. He stopped his car to admire the view. And he asked a native who happened to be standing there if the hill was dangerous.

"Not here it's not," the native said. "It's down at the bottom where they all gets killed."

Somehow America, this beloved land of ours, must be aroused to the absolute imperative that we cannot wait till we get "down at the bottom" of the hill before we act.

Before the Nation can harness the dynamic forces that are remaking the cities and the countryside, the American people must feel a need to do so. They must not only be willing to support action but to demand action.

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The United States has developed the most productive machine in history for the generation of goods and services. Wealth we have in plenty, productive skills we have in abundance. Organization skills also are advanced.

The priorities must now shift to the development of mechanisms by which we as a people can move to lives made secure and creative, lives rooted in order and graced by beauty.

These mechanisms, first and foremost, are the fruit of good, efficient, and responsive government.

We need (1) metropolitan regional planning bodies that can work to order growth, and (2) metropolitan governments that have at least the minimum powers necessary to carry into action the priority plans for the area.

Planning and governmental cooperation that cross jurisdictional lines are imperative in nonmetropolitan districts also. I know of no other way to strengthen local governments and the hand of enlightened citizen groups so they can shape the future of their communities to reasonable ends.

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Finally, the national government, the only device the citizen has for shaping and ordering the development of the entire Nation and its institutions, must be given the capacity to deal effectively with the crisis of our time.

The history of this country is the history of creative crisis.

The Revolution bred us. The Civil War made us one people. The Depression gave us a truly national government. World War II forced us to recognize our responsibilities as a world power.

The crisis of this time also will be creative, I have no doubt, creative of a Nation in which the means and methods of governing will give us once again control of our development and our destiny as a people.

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Office of the Secretary

It is a distinct pleasure to take part in this conference, just as it was in 1966 when I was last here.

Part of the pleasure comes from realization that men and women such as you are the real working force of the Department of Agriculture. You represent it -- and well -- throughout the country, working directly with the REA constituency in the Nation's rural counties.

Still another reason for pleasure in this association is the diversity of talents and skills represented in REA's field force. In this room are electrical engineers, electronic engineers, accountants, management specialists, and persons who have worked as part of the local teams providing electric and telephone service to rural people before coming to REA.

These talents, your skills and lives are committed to the improvement of rural life through better electric and telephone service, just as the Department's research people are committed to searches for more productive strains and improved methods for those who make our farms a source of increasing abundance.

Address by Secretary of Agriculture Orville L. Freeman at the annual REA Field Conference, Mayflower Hotel, Washington, D. C., 11:15 a.m. (EDT) Friday, August 9, 1968.

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In coming before you today I want to thank you for your services both within and beyond the call of duty and to acknowledge the contributions you have made to these great programs of the Department of Agriculture.

I'm glad to see that REA still has some of its oldtimers around, and by oldtimers I mean anyone who joined it during the great postwar expansion of 1945-47 or earlier. Then there is the middleaged crowd -- those who became part of the REA team in the 1950's. Finally, I see a newer group -- those of you who signed up in the 1960's.

The fact that 70 of the 185 persons serving REA in the field today have joined the agency since January 1961 is a rather startling figure. It tells us much.

It tells us certainly that a process of renewal is going on within REA, particularly in its field force.

It reminds us also that the REA programs are constantly undergoing renewal through the application of new technologies, new ideas, and new challenges to bring the benefits of modern electric and telephone service to those living in remote rural areas.

This dynamic process of renewal also tells us -- and all who will listen -- that the job of rural electrification and rural telephony is far from complete. Those who say the job is done -- on the basis of a single statistic, the percentage of farms having central station electric service -- are not tuned in to the actual scene.

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We suspect that most of them tuned out years ago -- even before the advent of television. The mental image of rural America they hold is a scene from an old album where life and growth and action ceased when the shutter moved.

Your presence here this week, particularly those of you who are on the first rungs of your working career, affirm the positive, forward-moving direction of the REA programs. I note that your discussions have concentrated on how to use limited resources -- time, materials, money and manpower -- more effectively for maximum benefit. Rather than looking backward to past accomplishments, you have looked forward to the towering challenges which lie ahead. In so doing you accept the fact that the past is but a prologue.

You may have heard of the Washington visitor who was riding past the National Archives in a cab when he looked up and saw this legend chiseled on the face of the building: "What is past is prologue."

It puzzled him, and he said to the driver, "What does that mean?"

"It means," said the driver, "you ain't seen nothin' yet."

With these few remarks about rural power as such, let me now ask you to join me in a fresh look at another of the overwhelming challenges confronting our Nation now and far into the future. This is the compelling need for this Nation to reach rural-urban balance.

You are, I'm sure, aware of the general problem and our objectives. I know that Norman Clapp has discussed it many times and that REA has played a key role in many rural areas development projects which have broadened employment opportunities in local communities. Many of you have worked on these projects and had the satisfaction of seeing them jell.

There were our first attempts and successes, made way back in 1961-62 when we thought in terms of general rural development. At this stage we celebrated any enterprise which would employ as many as six people. But the hard fact is that most RAD projects could only slow, not stop the heavy flood of rural families and individuals then pouring into crowded cities. Too often this migration constituted nothing more than a transplantation of misery, devoid of any measurable benefit.

We extended our efforts by interesting local leaders in rural community improvement. Legislation was drafted and passed to help provide more profitable farming, more business and industrial job opportunities in rural America, better job training for rural youth and underemployed adults, better housing and modern water and disposal facilities in rural communities. The community approach proved its worth in hundreds of rural localities.

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In each of these cases there was a "spark plug" which helped to energize the latent human resources of the community into action. In many cases this "spark plug" has been the local rural electric cooperative or telephone system. In other cases, the "spark plug" was a community group which started out to achieve a limited objective, then, through the catalytic action of success, was inspired to tap the rich potential of complete community cooperation.

Not long ago the Department's television service reported an outstanding example of community development in North Carolina. An REA-financed rural electric cooperative, the Blue Ridge Electric Membership Corporation at Lenoir, served as the "spark plug."

Under the alert leadership of Cecil Viverette and the cooperative's board of directors, Blue Ridge helped to transform a chronically depressed mountain locality of northwest North Carolina into an attractive, prosperous area. Blue Ridge helped establish the Northwest North Carolina Development Association as a voluntary coordinating agency and provided leadership for it.

In a short span of time, the counties in the Blue Ridge service area have acquired industries, provided better educational facilities, and gained population. Five thousand new homes have been built in the past three years. Long a favorite summer resort area, the Blue Ridge area now has four ski resorts and a number of new tourist attractions.

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This growth Blue Ridge is enjoying did not just happen. It is the result, and the reward, of dedication and hard work. At Blue Ridge, community development is more than a catch phrase or an interest of top management. More than half of the 135 employees are actively involved in some phase of community development. And with this fine example before them, about one-fifth of the area population, most of them members of Blue Ridge, are working in community projects.

The Blue Ridge example is exceptional in many respects, but it illustrates the value of a regional approach to development which we have been encouraging for some time. Blue Ridge's own efforts at economic development have been augmented by its participation in the Northwest North Carolina Development Association.

Regional development -- the harnessing and improvement of all the resources of a region or area comprising a number of counties -- is being applied today in TENCO in Iowa, Little River in Arkansas, UPCAP in Michigan and elsewhere. It permits the commitment of larger forces in better-planned campaigns against underemployment and underused resources.

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Now we are broadening our focus to Town and Country USA -- the concept of a rural region viewed as a basic economic unit built around one or more fully planned new cities of perhaps 100,000 population. The growing new population centers would offer the residents in a multi-county area all the best features of urban and rural life.

We are urging a national policy to promote the Town and Country USA concept and to achieve an indispensable rural-urban balance for the America of tomorrow.

Admittedly the meaning, the importance of Town and Country USA has not yet fully penetrated public consciousness. The public is too concerned with the symptoms, the consequences of rural-urban imbalance, to think comprehensively about needed preventive and corrective measures.

And it is understandable that they have not yet caught the vision of what can be -- yes must be, if all the American people -- and I stress all, urban and rural -- are to achieve the quality of living which is within our reach. For too long it has been an article of faith that the cities are bound to grow and the rural areas bound to decline.

Put me down as an incurable optimist, but I believe the tide is turning. Opinion makers are more aware of the need for decentralization of people, of industries, of institutions. Increasingly the major newspapers and magazines are discussing the benefits of growth and development of the Nation's nonmetropolitan areas.

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Respected, blue ribbon panels, such as that headed by former Kentucky Governor Breathitt, which looked deeply into the subject of rural community development and rural poverty, arrive at recommendations very similar to those advocated by the Department of Agriculture.

Other Federal agencies have developed programs in the past few years that indicate a new awareness of rural-urban interdependence and offer support for nonmetropolitan America.

A number of states are moving on a variety of fronts to modernize and up-date rural government, promote consolidation, help with local industrial development and planning, and supply technical and administrative support to form new substate groupings. Such developments are underway in New York, Iowa, Missouri, Georgia, Texas, California, Nebraska, Arkansas and elsewhere.

And there are statistical straws to back our belief that the tide is turning.

Small cities, many of them serving rural areas, are proportionately the fastest growing centers of population.

Factories and other installations are moving into rural America at a steady rate. Almost half of the "million-dollar" plants opened last year, for example, were outside the large metropolitan areas.

The population outside the 220 or so standard metropolitan areas is stabilizing.

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From 1962 to 1966, the industrial employment growth rate tripled in the metropolitan areas, but went up nearly eight times over the base period in rural areas, to 6.2 percent -- and up eleven times in the small town areas, to 5.5 percent.

As encouraging as these signs are, we cannot, either as associates in the Department of Agriculture or as concerned fellow Americans, become self-satisfied over what is happening -- what is being said and written -- programs being devised -- progress being made to strike a reasonable balance of people, of jobs, and of opportunity between the cities and the countryside in the Nation's future.

Although the pace of migration out of rural areas into the cities has been slowed, we know that any one of several adverse developments could cause the process of rural hemorrhaging to begin again.

Too few rural communities have taken the necessary first steps -- in schools, housing, community facilities -- to attract industry and new residents.

Too many Americans think that trouble in the cities and the decline of rural areas are separate and unrelated matters.

And we do not have a national development policy, including Town and Country, USA, for the Nation as a whole. But we desperately need one.

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You can help, and I hope you will. How?

First, you can be a communicator of understanding and facts about need for rural revitalization as a part of creating a better America, rural and urban. Many people still give preference to person-to-person over paper-to-person communication. REA can provide you with basic information on Town and Country USA, and other facets of development. Tell the story frequently and dramatically as to why rural-urban balance is critical to the Nation and what your community can do.

This communication can be two-way, as a matter of fact. We maintain in the Department of Agriculture a Plant Location Center. The Center contains information from rural communities and state development bodies which firms need to make decisions on future plant sites. You can encourage borrowers to work with local community, county or multi-county development groups to submit information on their areas to the Department, if they have not done so previously.

You can advocate, as I know you have done already, a strong development effort as the best insurance any rural system -- electric or telephone -- can obtain against certain hazards of their business. Here are two for openers:

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Inflation: Continued inflation makes it mandatory for the local rural system to develop larger volume and greater use of facilities. Without this growth, many systems will have to increase rates, falling farther behind in their progress toward parity.

Loss of consumers or subscribers: New industrial and service establishments in the service area provide growth needed to offset idle services or those lost when a nearby city takes part of a borrower's territory.

You can document, from REA records or your own experience, instances in which rural systems have overcome strong threats to their existence with rural development.

And you can make sure that your area, your community is making full use of the resources available to it for development, for improving the quality of its living.

You are aware -- or you should be -- that the Department has organized Technical Action Panels in the 50 states and in all 3,000 rural counties for this very purpose -- to put any rural person or village or county or district in touch with the government or private agency that can best help them to meet a given problem, and to help plan and coordinate an attack on the problem.

Use these panels, work with them. Besides programs of the Department of Agriculture, they can cite 87 programs of other Departments and other agencies -- tools that are now being used to help improve living in Town and Country America.

And President Johnson formalized another dramatic new tool just a few days ago on August 1, when he signed the Housing and Urban Development Act of 1968.

This provides interest supplements for various kinds of rural housing, and, most important, it provides that rural America will share in the HUD grants for comprehensive planning -- areawide planning -- the kind we must have to achieve rural-urban balance.

I urge you to check out the potential of these new tools for your area as soon as you get home through the Farmers Home Administration office or your Technical Action Panel.

These are obvious ways you can help.

There is another way -- less obvious, but more challenging -- in which you can help. And this is directly related to your duties listed in your official job description.

Do you know the key factor in the Blue Ridge development success story which I cited earlier?

Was it location? The location has been the same for centuries, give or take several thousand trees and tons of top soil.

Natural resources? By the nature of things, they are less today than ten years ago.

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Before there could be economic development, there had to be personal development. At Blue Ridge, personal development -- call it management improvement or development, if you wish -- was the spark which started the growth process. Management saw the inevitable consequences of stagnation and decline, and adopted a strategy to reverse the trend. Management also accepted responsibility for leadership and provided this fully, both as to quality and quantity.

Norman Clapp, Dick Hausler: How many potential Blue Ridges do you estimate there are in areas served by REA borrowers? Fifty? One hundred? Five hundred? At least that many.

You REA field people do have a great opportunity ... a great responsibility. You are working where the job must be done, if it is to be done.

You can instill in managers and directors the will to do as Blue Ridge did. You can encourage them to take the initiative and to provide strong leadership for their communities and regions in renewal and revitalization. You can be an agent of change instead of a mourner over the death of an area.

As I have told other groups in recent months, I am not so naive, after eight years on the Federal level and six in state government, to believe that the problem of rural-urban balance can be solved from the banks of the Potomac.

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We can provide the loans for expansion of rural electric and telephone plants, the loans and grants to build rural housing -- and community facilities -- and funds for planning, and a great deal more help for communities that want it.

But we can't instill in a community and its leaders the desire for rational growth, for managing rural development so as to avoid the same stresses and strains in our small communities that we now face in our large urban centers -- rural slums, all varieties of pollution, congestion and crowding.

We can't -- nor should we be able to -- force an area to plan for multi-county development, making full use of its combined resources. This has to come from local leadership, just as a desire to achieve rural-urban balance in this country has to come from the people -- including you in this room.

Now let me close by saying this: A few years ago Eric Sevareid wrote an odyssey -- the story of his journey from Velva, North Dakota, across the world. It summed up an era that many of us lived through, and Sevareid called it "Not So Wild a Dream."

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Perhaps what I have discussed this morning is a dream. But if it is, it is surely not so wild a dream as the vision the founders of this country saw; surely it is less fantastic than the changes most of us have already witnessed in our lifetimes.

I don't think we can afford to dismiss this dream.

For I believe the fragile web that is American civilization -- which after all is a thing of intangibles ... mutual trust ... dedication -- if you will, to commonly shared ideals ... even what Lincoln called the "mystic chords of memory" -- I believe this web is too fragile a thing to bear the stresses it will be subject to if the Nation continues on its present course.

It will be rent asunder, and the flames that many of us witnessed firsthand this spring are but a harbinger of worse to come ... unless drastic, immediate and pervasive changes are made.

And yet this is not the overriding reason that change should be made. Rural-urban balance offers no quick, easy solutions to the alienation, despair, and violence that now infect every one of our major cities.

The reason is much more fundamental than this.

It is, simply, that what we are building in the great anthill cities is unworthy of us as a people.

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Paralysis in local government, confusion in the many-layered state-federal system ... is simply unworthy of a people who devised the most enduring political document in history, the Constitution, and who invented the Land Grant Colleges ... the TVA ... REA ... the New Deal and a thousand-and-one other new responses to meet the problems of previous ages.

An America benighted by formless suburban sprawl, cancerous with decaying inner-city ghettos, impacted with too many people in too-little space ... is simply unworthy of a Nation that swept across a wilderness, subdued it and built a civilization on it that has conferred more bounty on more of its people than any other.

An America whose streams are polluted; whose air is befouled, whose vision -- for many, is limited by the ghetto wall ... this kind of an America is simply unworthy of a people who have the technology, the money and the will to send men to the moon.

So let me ask a question of each of you. Is an America built to human scale, human values -- where every American has a choice of where he would raise his family ... where jobs, first-class housing, education and public facilities are evenly distributed over the land, is this kind of America possible?

Is this so wild a dream?

While it isn't "necessarily so," this may well be the last time I come before you as a co-worker. So perhaps a little reminiscing is in order.

For eight seasons we have worked together as a team. We've had some great moments and some not so great moments, many victories, a few defeats.

I don't think we ever became complacent in victory. I don't think we ever became despondent in defeat. I don't think we ever let up for a moment in our efforts to pull American agriculture back into the economic mainstream.

When we recognize what remains to be done, we know we haven't accomplished all that we had hoped. But when we consider how far we've come in the years since 1960, we can be justly proud of what we have achieved.

Adress by Secretary of Agriculture Orville L. Freeman
at the 10th Annual Conference of the National Association
of ASCS County Office Employees, 7 PM, EDT, August 10, 1968,
Sheraton Park Hotel, Washington, D.C.

I am here today to tell you that this record of solid progress could never have been written without the determined men and women of ASCS -- you, the dedicated local representatives who meet problems head-on at the root level ... and do it with equal parts of determination, tact and discretion.

Despite all the change that has occurred in agriculture in the past few years, you still deal with one of the most fiercely independent individuals in any society, anywhere, anyplace -- the American farmer.

That is why the farmer committee system is so necessary. The decisions that affect the farmer most directly are made by people he knows -- not by bureaucrats isolated in Washington. But the committee system wouldn't work -- not for one minute -- without the highly skilled people who staff our county offices ... who are responsible for the day to day job of administering farm programs.

The American farmer, the American consumer, indeed all Americans are indebted to you for what you have done and are doing.

(more)

Remember President Kennedy's words 8 years ago? "Let's get America moving again." Nowhere was this challenge greater than in an agriculture made sluggish by the heavy diet of overproduction. I remember vividly standing with him on his front porch in Georgetown on a snowy evening in December 1960 when he announced that he was appointing me Secretary of Agriculture with these words: "The single greatest domestic problem we face is American agriculture."

He was right.

The farmer was a victim of his own progress and his Government's indifference.

Between 1952 and 1960, farm income dropped by almost 20 percent.

Farm surpluses swelled. By 1960, the Commodity Credit Corporation had accumulated over \$4.5 billion in stocks.

Exports, a major source of farm income, had failed to keep pace with rising production.

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Farm programs were costing the taxpayer more and more, while the farmer received less and less.

The tide of despair ran strong in rural America, as farmers were swept into a whirlpool of sinking price and spiraling production.

Today we know we have reversed this tide.

You know what has happened. Per farm income on a national per capita average -- up 55 percent from the beginning of this decade. Exports -- up 51 percent since 1960 to \$6.8 billion. Price-depressing surpluses -- virtually eliminated, with CCC inventories down to less than \$1 billion today, and that's the lowest since 1953. Grain prices are down now at harvest time with a record crop in prospect, but farm income will net an estimated \$500 million over last year.

What has made these achievements possible?
In a nutshell, good legislation.

* The voluntary grain programs of the early sixties.

* The Food and Agriculture Act of 1962.

(more)

* The Wheat-Cotton Bill in 1964.

* And one of the truly great farm bills in history, the Food and Agriculture Act of 1965. Great because it gave us the wheat, cotton, wool, and feed grains commodity programs. Great because by combining the wisdom of 30 years experience in agriculture, and by giving continuity to these programs, it makes it possible for us to move land in and out of production as needed ... because it helps us avoid the boom and bust that has always plagued the farmer by keeping supply and demand in reasonable balance.

But often -- too often -- when you look at this record of solid achievement in agriculture over the past 8 years, you get the feeling that this is the greatest story never told.

I mean that! Too seldom do we hear and read about the positive side. As a result, many Americans do not know and do not appreciate the fact that they are beneficiaries of the world's greatest agricultural production plant.

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Communicating the story of agriculture -- this I can attest, is a very difficult challenge.

I have given it top priority because I've believed all along that the battle to gain support for and understanding of farm programs transcends even the battles of the surpluses and supply demand balance.

We've proved that we can more than hold our own on those battlefields. The surpluses are gone; production, although exploding in this year of extraordinary worldwide production, will be cut back next year. And we have made great strides in getting people to understand that there is a relationship between urban and rural problems ... that programs that elevate the income and living of rural Americans are good for all Americans.

But we have not been entirely successful in getting the whole story across.

(more)

This is clear when current debate shows there is a lack of understanding of the farmer's need for a charter to a fair price and a good life. That charter is the Food and Agriculture Act of 1965.

Take it away and what would we have? Well, if you grow wheat, our economists estimate you'd be getting about 70 cents for it today with a harvest of almost 1.6 billion bushels in prospect. Corn would go as low as 60 cents with yields estimated at nearly 80 bushels an acre. That's up more than 17 bushels an acre from the year I stood on that porch in Georgetown with President-elect Kennedy.

Yes, this farmer's charter can be taken away, and in the process we can quickly eliminate soil conservation that is effective; production that is balanced; and income that is fair.

People must know and understand that these programs are not a million dollar boondoggle for a bunch of fat cat farmers who don't need help anyway.

(more)

They must know and understand that payments under farm commodity programs are not welfare handouts ... that we are not writing relief checks to farmers whether they need relief or not ... that farm programs are not designed just for small farmers.

If they want to talk about help for the small farmer, we can start with the payments, because payments actually represent a much larger proportion of income on small farms than on the large ones. On the smallest farms -- those with cash receipts of \$2,500 or less -- the payments accounted for 19.6 percent of income. None of the other economic groups of farmers comes even close to that. In fact, when all farms are considered payments represent only 6.6 percent of total income.

And what about ACP? This program has been an almost constant crucible of change the past few years and for virtually one reason -- to provide special and more effective assistance to low-income farmers. The most recent change, you'll recall -- cost-sharing on home gardens -- was announced just a few days ago. I can tell you that I'm proud of the way you have developed this program.

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We have seen the cloud of fiction pass over agriculture before. We have seen that the truth rarely penetrates this cloud in pure form ... that more often, what falls is a torrent of fabrication that defies clarification or explanation.

The trouble is that most opponents of farm programs follow the policy of hit first and ask questions later.

You may have heard the story about the man who grew up in a low-cost public housing development. He went to public school, rode the school bus free and got a free lunch at school. He went to college on the GI Bill. He bought his farm with an FHA loan. Later, he bought a small business and when it seemed in danger of folding, he got a loan from the Small Business Administration and was able to keep it going. His children were born in a hospital built partially with federal funds. His mother and father received social security and old age benefits and Medicare paid most of their medical bills. This man's farm was served by a rural electric cooperative. He cleared land with an FHA loan. He made extensive use of price support loans, and other federal assistance to farmers.

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Then, after all this, he sat down one day and wrote his Senators and Congressmen the following letter:

"I believe in rugged individualism. People should stand on their own two feet. I stand on my own two feet. I oppose all those socialistic trends you have been voting for and demand a return to the free enterprise system of our forefathers.

"My neighbors and I intend to vote against you this year."

Had I written a reply, I'd remind this man that the frontier he is talking about was swept away by Lewis and Clark and Daniel Boone ... that today we are confronted with the far more complicated frontiers of space and peace and plenty ... that the kind of rugged individualism we need is the kind that can deal with the problems of the most advanced society man has ever known ... that we can't solve space age problems with pious and half-baked platitudes about the good old days.

(more)

As I said earlier, the opponents strike first and ask questions later. They always seem to end up dodging the facts. What are their alternatives? Do they seek to strengthen, refine or improve? No. They seek to weaken, dilute and destroy. Not one speech in opposition to the four-year extension of the Food and Agriculture Act of 1965 offered a single constructive proposal. In this critical time for the American family farmer it isn't enough to be against -- he who objects should have a positive alternative.

One of the most important jobs of the county ASC office employee ... of the county committeeman ... and the community committeeman ... is to tell the positive side of the story.

If you want to give this story a name call it "The Reconstruction of Rural America." Why? Because rural America needed rebuilding. It needs more jobs, better income, better facilities for living and better -- much better -- opportunity.

And that's just what it's getting today.

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Eight years ago, rural Americans faced almost insurmountable problems:

- * Net income -- forced downward by mountainous surpluses -- had dropped 17 percent in the previous 8 years.

- * Half the Nation's poor lived in rural America, yet it had only 30 percent of the entire country's population.

- * One rural home in three lacked hot and cold running water. More than one million homes just weren't fit to live in.

- * People in at least 35,000 rural communities were without modern water systems, and people in 45,000 communities were without sanitary sewer systems.

- * The people in these same communities lacked medical, dental and educational facilities. More than 700,000 rural adults had never been to school; another 3 million left school before getting to the 5th grade; 19 million more had not finished high school.

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* People were fleeing the countryside at the rate of 3 million per year.

And no wonder! They saw the fingers of decay, a full third of the Nation in their grip.

Technological revolution in farming, mining, and lumbering had wiped out millions of jobs. Within a half-dozen years, in the Mississippi Delta alone, farm harvest needs were lowered from 750,000 man-days to 95,000. Lacking jobs, more and more people, the educated and illiterate, the skilled and unskilled -- but especially the young -- headed for what seemed their one hope, the city.

Between 1950 and 1960 U. S. population grew by one-fifth and the population of our most rural communities dropped 15 percent. The number of people on farms declined by 7.5 million. So by 1960, 7 out of 10 Americans were bunched together on less than 2 percent of our land. It was beginning to take longer to cross town in a car than it used to take in a cart. Congestion, noise, tension, pollution of water and air, unemployment, rising welfare costs -- quickly these became the legacy of rural-urban imbalance.

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Today the spirit of hope has returned to rural America. It came back with the new jobs, housing, water and sewer systems, economic opportunity loans and recreational and cultural opportunities. It came back with rebounding farm income ... with farm programs that gave farmers the lead time to plan ahead.

Occasionally, it's useful to call the roll of progress in Town and Country USA since 1961 -- to tell what we have done these last eight years to rebuild and revitalize rural America.

Since 1961, FHA has provided new or improved homes for almost 1 million rural people.

We now provide 200 times the assistance to rural communities for water and sewer systems over what they received in 1960. Last year alone more than 1,100 communities received these facilities with our assistance.

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For the rural American trapped in poverty -- for more than 57,000 low income rural families -- we have helped bridge the gap to hope with economic opportunity loans for self-employment enterprises.

About 100,000 farm families have received farm ownership loans that enabled them to buy or enlarge their farms.

There are now more opportunities for recreation in rural America than ever before. Almost 1,500 new outdoor recreation centers have been developed just since 1963. Nearly 800 family-sized farmers now supplement their income by operating fishing lakes, golf courses and camping areas. Rural communities -- with the help of \$78 million in loans from FHA -- have developed almost 700 recreation centers offering facilities for swimming, ballgames, riding, golf and camping.

In addition to these new-found opportunities for fun, there is the added benefit of new jobs; by 1980 a million new jobs will be created in rural America by recreation alone.

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Construction of rural housing and water and sewer systems have created an estimated 200,000 man-years of on-site employment since 1961. There are 3,500 new business enterprises in rural America and more than 200,000 jobs for rural people as a result of projects established with the help of REA electric and telephone cooperatives.

These programs make rural America a place where the living is better. We must continue to close this gap in living if rural America is to achieve the full measure of its promise. But to do this, there is a second gap that must be closed; this is the gap in income. Already we have come a long way on this score. In 1960, total income of farm families was estimated at only 55 percent of non-farm income. Today, it has risen to 75 percent.

But we must move ahead on a second front. As new technology makes it possible for a family to farm more land, there must be jobs and business opportunities for those who choose to leave farming. And these programs aimed at community development are helping to do just that. Why? Because they mean more jobs. They mean, too, that more rural Americans have the opportunity to supplement farm income with non-farm income. Since 1960, total non-farm income has jumped from \$7.1 million to \$10.7 million. During this same period, average income from non-farm sources has more than doubled. (more)

These programs have accounted for a substantial part of this increased earning power for rural Americans. For many, the opportunity to gain added income is the difference between staying and leaving.

Through the Food Stamp and direct food donation programs, as well as the School Lunch and Child Nutrition programs, we are improving the diets of low-income people and of children all over the Nation. Food assistance has been expanded tremendously. Low-income families in all of the Nation's 1,000 lowest-income-per-capita counties are now -- or soon will be -- enjoying better diets through our food assistance programs.

All of this is part of the reconstruction of rural America. The rebuilding job is far from complete. But we are on the way.

Migration from country to city has been sharply reduced. Further evidence of this was documented just a few days ago in a Census Bureau report to President Johnson.

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New jobs in the countryside are growing at double the rate of growth of the 1950's.

Regions that used to be places where people were born to leave, and came back only to die have become good places to live, to work, to bring up a family and enjoy life.

We do not cite these facts, nor this record, in a self-serving exercise. I am citing them to you because in large measure the future of rural America lies in your hands. You rank among its most important leaders. And you must have a clear view of what its needs are, and how these needs are to be met.

The Book of Proverbs contains the stark reminder that, "Where there is no vision the people perish."

Nothing could be more true.

We must have vision -- the vision of a balanced America. We must also have the intelligence and stamina required to translate our vision into reality.

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Our vision cannot come true unless farmers share fully in total national prosperity. It cannot come true unless rural America becomes a wholesome and attractive alternative to the noise and congestion and unhappiness of our large urban centers.

Above all, it cannot come true unless you make it true. Rural America's needs cannot be put and kept in proper perspective without you.

You must work harder and with even more imagination. For in addition to serving the agricultural needs of farmers, today you serve farmers and non-farmers alike as community developers. Yours has been a key role in the work of our Technical Action Panels. And through TAP and Operation Outreach you helped take many of our federal programs to people in the countryside who had never heard of them -- and wouldn't have if it hadn't been for you.

You have been alert to shape farm programs and conservation programs to meet broad community needs.

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For all of this I salute you.

And I ask from you even more.

Only if you respond to this call ... only if our Department provides new and imaginative leadership for this Nation ... only if we have the vision and stamina to do all of this ... only then will we restore rural-urban balance, and in so doing meet the twin threats of discrimination and poverty that threaten the very foundation of the republic.

Let us get on with the job.

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THE RURAL COMMUNITY OF THE FUTURE

I'm delighted to take part in this ecumenical meeting with so many good friends.

How times have changed. Not too long ago when a Protestant addressed a Catholic group, or vice versa, he chose his words with tender care. His position was analogous to Pat O'Malley lying on his deathbed, with Father O'Sullivan giving him the last rites.

"Now Patrick," said Father, "are you ready to accept the Lord and renounce the devil?"

"Sure, Father," Pat replied weakly, "I accept the Lord, but I don't believe I'm in a position right now to antagonize anyone."

In Chicago on Tuesday I will speak to a group of women from my own Lutheran church about being good Samaritans. I can truthfully say that I would have no hesitation whatsoever in making to you the same speech I will give them -- nor would I have any qualms about giving them the same speech I am making here today. If that isn't ecumenical progress, I don't know what is.

Some of my colleagues in the Department tell me that the NCRLC-USDA friendship extends through at least a half dozen Secretaries of Agriculture -- back to and including Henry A. Wallace.

Address by Secretary of Agriculture Orville L. Freeman before National Rural Life Conference Convention, St. Cloud, Minnesota, State College, at 3 p.m. (CDT) August 11, 1968.

Secretary Charlie Brannan summed up the reasons for this friendship 20 years ago at your Conference in LaCrosse, Wisconsin.

He said, "You believe it is good for the whole Nation to strengthen the family farm. So do we.

"You believe it is good for the whole Nation to keep agriculture permanently productive so that farm families can have permanent roots in their communities. So do we.

"You believe it is good for the whole Nation to improve rural standards of living. So do we."

Indeed, your ideals and ours have been, and are, very closely related.

Take, for example, Monsignor Ligutti's pioneer work at Granger, Iowa, 40 years ago. He sought to help underemployed and unemployed people in rural America improve their economic opportunities in their own communities. Though he didn't use the phrase, he was concerned about rural-urban imbalance.

Of course, he was ridiculed as a dreamer. But he almost literally camped on the doorstep of the USDA to win support for his idea.

I understand this was the Department's first experience with a poor people's campaign. And though there was only one man marching, I'm told it made quite an impression.

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Yet when we look at rural and urban America today we see that the results Monsignor Ligutti and your Conference hoped for are far from realized -- whereas some of the foreseen dangers have come to pass.

Like most of you, I have nostalgic memories of the rural America of my boyhood -- especially of the summers spent on our family farm near Zumbrota. I remember the thrill of driving a team, the ride in the buggy or Model-T to Sunday church, the long table groaning under the weight of good food at harvest time, the old swimming hole, the general store, the baseball games, the community picnics.

These are good memories. But that's all they are -- just memories.

In our lifetimes we've seen the stable replaced by the machinshed, the wagon by the truck, the kerosene lamp by the electric light, the icehouse by the deepfreeze, the gramophone or player piano by the stereo-television. We've seen the one-room school, the general store, the township hall, all but disappear like the buffalo of an earlier day.

We don't bewail these changes. We know they represent progress.

But along with the good have come things that are bad. New technology wiped out millions of jobs in farming, mining, and lumbering. Lacking jobs, more and more people, especially the young, moved to the cities. Between 1950 and 1960, while U.S. population grew by one-fifth, the population of our most rural communities dropped by 15 percent.

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Flourishing manufacturing towns and railroad centers deteriorated into mere aggregations of grocery stores, filling stations, taverns, cafes, and small garages. Some became hollow shells, scarred by boarded-up stores and big, half-empty houses. Rural communities could neither attract nor hold young doctors, dentists, and lawyers. It became harder to build and maintain schools, churches, police and fire protection -- much less hospitals, libraries, theaters, swimming pools, and playgrounds.

And so in 1961 we found rural America with only half as many doctors and one-third as many dentists proportionately as metropolitan America.

We found 30 percent of our people living in rural America, but almost half the Nation's poverty concentrated there.

We found one rural home out of three lacking hot and cold running water -- and more than a million homes simply unfit for habitation.

We found 35,000 rural communities without modern water systems, and 45,000 communities without modern sanitary sewer systems.

We found 700,000 rural adults who had never been to school -- and 3 million others who had never finished fifth grade.

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We found realized net farm income at a little more than \$12½ billion, and the per capita disposable income of farm people at \$1,226, just a little better than half that of non-farm people.

We found that 3 million people a year were fleeing the countryside.

But what about the cities? How are they doing?

Well, with seven out of 10 Americans bunched together on less than 2 percent of our land, they're not doing well either. In parts of Harlem people are so jammed up that if the entire U.S. population were equally concentrated, our whole Nation could be fitted into three of New York City's five boroughs -- leaving the rest of the country totally unpopulated.

In some cities it takes longer to cross downtown by car than it used to take by horse and buggy. Congestion, noise, tension, polluted water and poisoned air, ghettos, unemployment, crime, riots, these are the results in part of a rural-urban imbalance that has put America out of joint.

Why, and how, did this happen to America? Part of the answer I believe is simply this: We didn't understand what was going on in our country. The pace of change was too fast for us to comprehend.

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Lacking understanding, we lacked motivation to act. A rising concern about crime, congestion, poverty, and relief costs, yes. A growing annoyance at the abrasions of suburban living, yes. A vague disquiet over polluted water, poisoned air, and proliferated ugliness, yes.

But no general and widespread awareness of unbalanced growth. No true realization of our rapid descent into a condition in which -- unless we act now -- mass population impaction will become a rigid reality, and all we'll be able to do is try to adjust rather than prevent it from happening.

America still does not have a sense of the total crisis. The majority of our people still see no need for a unified, clear-cut national growth policy.

And yet, I think that -- at long last -- we are making progress. I think it is finally getting through to the Nation that the space-starved city and the opportunity-starved rural community are two sides of the same coin -- that the rural poor of yesterday are largely the urban poor of today -- and that unless we revitalize rural America, the rural poor of today will be the urban poor of tomorrow.

Some American opinion-makers are now urging decentralization of people, industries, and institutions. Some business leaders are now publicly recognizing that rural growth centers offer many advantages for industry. Some States are now moving to modernize and update rural government, and to help with local industrial development and planning.

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Federal agencies, including USDA, HUD, HEW, Commerce, and OEO, have programs that indicate a new awareness of urban-rural interrelationships.

I am concentrating this afternoon on the theme of overall national planning to achieve rural-urban balance.

But this does not mean that I minimize in any way the importance of farming as the economic bedrock on which a thriving rural community must rest. Tomorrow night at Sebeka, I will talk about farming and what we must do to reach parity of income for our efficient family farmers.

Let me simply say now that, like you, I was terribly disappointed by the decline in farm income last year from the all-time high of 1966. And I am deeply distressed over sagging grain prices this year. We don't like any decline in farm prices or earnings. But I am glad to see that cooperation between the Department of Agriculture and farmers and their organizations has strengthened livestock prices and that income has turned up again this year.

We have a long way to go; progress is slow, but we have moved forward on the income front these last seven years. Total per capita disposable income of farm people last year was 85 percent higher than in 1960. On an average nationwide it has climbed from 1,100 in 1960 to \$2,037 last year, and we estimate it will be \$2,160 in 1968.

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In 1960 the average person on the farm had only a little more than half as much income as the average nonfarm person. Today farm people have roughly three-fourths as much income as nonfarm people. This is still not enough -- but it is progress.

There are those who contend that last year's temporary sag in income -- the first since 1961 -- and the disappointing grain prices this year mean that our farm programs have failed and we should junk them. To them I say just this: Without the programs, and with the sharp production increase to record grain crop levels in the U.S. and worldwide, U.S. wheat prices this fall would be about 70 cents a bushel and corn prices would be about 60 cents. Our 1968 feed grain program and our 1969 wheat program will stop the build-up of grain stocks. Grain prices should be considerably better next year. To the critics I would only say what do you propose as a constructive alternative? I've been waiting almost eight years for that answer now and haven't heard it.

Though agriculture is the economic bedrock of rural America, we must recognize that millions of people live on inadequate farms. They need help to grow larger. In the meantime, they need off-farm income to support their families decently. Nonfarm jobs and income in industry, recreation, and services must be available or people will continue to be forced out of their home communities.

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We can all take pride in the fact that the off-farm income of farm people has more than doubled since 1960.

Let me list just a few of the things we have been doing during the past eight years to increase opportunity in rural America and build a viable Town and Country USA.

Rural people have long lacked access to public and private programs that would help them to get moving ahead. Today Technical Action Panels composed of USDA field officials and other Federal, State, and local government leaders operate in all 3,000 rural counties. Any rural person or village can now get in touch with the public or private agency that can best help them simply by contacting the nearest TAP.

By the end of this year the record will show that we have:

financed new or improved homes for almost a million rural people --

financed modern water and sewer systems for 4,000 communities --

helped 100,000 farm families buy or enlarge their farms --

aided about 75,000 low-income rural families start or improve self-employment enterprises through the Opportunity Loan Program --

helped bring electricity to over a million new rural consumers and modern telephone service to almost a million new subscribers --

(more)

assisted thousands of farmers and hundreds of communities in developing recreation facilities.

Our housing, water, and sewer programs have created more than 200,000 man-years of on-site employment. New business enterprises employing at least 50,000 rural people have been established as a result of conservation construction work. Projects established with the help of REA electric and telephone borrowers have created over 200,000 jobs.

We of the USDA are proud of this progress -- but we are fully aware that it is not nearly enough. In relation to the total task, what has been accomplished is really very small. Too much of it is piecemeal -- patchwork -- putting new pieces of cloth on an old garment.

If we are to achieve rural-urban balance in this country we need not piecemeal but comprehensive planning -- and we need it now.

America cannot afford over the next few decades to concentrate another 50 million or more people in very large metropolitan centers. Already too many Americans feel themselves imprisoned by the city.

Historically this has always been dangerous. As the historian Arnold Toynbee points out, "The imprisoned town dwellers of the past have been apt to develop an ugly temper An inescapable city cannot be a seedbed for vegetables or cereals but it has often been a seedbed for riots and revolutions."

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So we must plan NOW for an America that offers a free choice of a good life everywhere -- in the inner city, in the suburbs, in new rural towns, in small rural communities, and on the farm.

We need a national policy to guide the development of our inner cities -- to change them from seething volcanos of unrest to convenient, clean, healthy centers where people can live in dignity.

We need a national policy to guide the growth of our suburbs -- not let them degenerate into unruly, unsightly, urban overflows but plan them to fulfill their promise of space, fresh air, and quiet.

We need a national policy for the development of new cities in the countryside -- new cities that offer their own sources of employment, esthetic satisfaction and ample cultural, social, and recreation facilities.

I can't tell you how many new cities should be built. We must develop a total national plan to do that. But I will predict that such a plan will call for eight to a dozen new centers of 100,000 to 250,000 population each, placed strategically along the length of Appalachia. They will be tied to the metropolitan areas of the eastern quarter of the Nation by new, comfortable, very fast trains. Thus, people will be able to enjoy the best of both worlds, living close to the country and yet having access to opportunities that only a metropolis can provide.

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We need a national policy to guide the growth of hundreds of small modernized multi-county rural communities already in place all over America.

By working together, six to ten counties grouped around a central city of 10,000 to perhaps 50,000 people can pool resources. With Federal help they can then provide educational, health, and recreational facilities that would otherwise be beyond their means. When these facilities are available, new industry is attracted. With new industry the tax base is broadened and further community improvements become possible.

As a Minnesotan I am proud of what our local leaders are doing for community development. Recently I spoke at Gustavus Adolphus College at St. Peter, Minnesota, where we discussed planning in the River Bend Area. Here in St. Cloud under the leadership of Mayor Henry a very important study to learn more exactly what it takes to spark broadly based community growth is underway. Later today I will tour several rural development projects in Spicer and Benson. Tomorrow we will have a day-long tour of Resource Conservation and Development projects in Wadena County.

These things are all part of an emerging national pattern. But only by a national policy can we move fast enough to effectively halt the disastrous emptying out of people from rural America. Only by a national policy can we stop the blind rush to self-destruction which now threatens metropolitan America.

(more)

Mine is no longer a lone voice crying in the wilderness. The Advisory Commission on Intergovernmental Relations in its recent report on "Urban and Rural America: Policies for Future Growth" comes out strongly in favor of an overall policy. This important Commission recognizes, in President Johnson's words, that "the cities will never solve their problems unless we solve the problems of the towns and smaller areas."

Naturally, we in the USDA and you in the NCRLC are most concerned with that part of a national policy which involves rural America. We in USDA are stressing the concept of Town and Country USA. By this, I repeat, we mean the development of rural regions, viewed as basic economic units. Each Town and Country region to be built around one or more fully planned new cities of perhaps 100,000 population, or in many places around strategically placed small town or city growth centers. In each region the residents of a multi-county area could then enjoy all the best features of urban and rural life combined. This, we believe, is the rural community of the future.

To some this still seems an impossible dream. They say: We can't afford it. We can't plan that well. We can't tell people where to live. The country can't compete successfully against the city in the campaign for funds.

To me these complaints are the product of shameful defeatism.

(more)

True, by the standards of the past what we propose seems a gigantic undertaking. But we are not living in the past. We are living in a rapidly expanding now -- a now in which knowledge and technology and the means to put knowledge and technology into effect are growing at a phenomenal rate.

We have no real choice. We must restore balance or give up our ideals.

Other nations are already embarked on such a course. In England more than 20 flourishing new cities have been built -- somewhat like those in our Town and Country concept -- and more are being planned. This is to counteract what Barbara Ward calls the "sucking pull" of the London area.

If England can do it why can't we? We have more space to work with. We have far more wealth. We have more and better technology.

We can do the planning that is necessary. The computer is the genie that has changed the whole picture. The computer almost instantaneously answers questions that a small army of statisticians would take a year to reply to.

We can afford to carry out virtually any blueprints we might develop. There is every reason to expect our Gross National Product to grow by not less than 3 percent, and possibly by more than 4 percent per year. This means between now and 1980 an average addition to our Gross National Product of some \$40 billion per year. We, the people, must decide how much of this we want to put into building quality into American life.

(more)

Add to all these potentialities the new housing bill signed into law by President Johnson just ten days ago. I urge you to study that law carefully -- it adds new and important tools and resources for use in planning and building a balanced Nation.

As for telling people where to live, nobody wants to do that. People go, if they can, where opportunity beckons. A recent Gallup Poll indicates that, if jobs were available, 56 percent of the American people would live on farms or in small towns rather than in cities and suburbs. By revitalizing rural America we can give the American people a choice.

I agree that the effort to revitalize rural America must not become a contest for funds and other resources, a city versus country confrontation. In such a conflict both sides would lose.

It must be made plain to the American people that we will never achieve true and permanent urban renewal unless we also achieve true and permanent rural revitalization. Rural revitalization and urban renewal constitute a two-front attack on the one problem of rural-urban balance.

If you are with me thus far you probably have a question in your minds: What can I do?

My answer is: You can help create an informed public conscience -- a deeply felt public opinion.

(more)

Without a deep-running feeling on the part of the average citizen that we must decentralize some of our commercial and industrial activity -- that we must build new towns outside of metropolitan America -- that we must encourage families to relocate -- that we must invest huge sums in the development of rural areas -- without this firm and clear awareness, this gut feeling, there will be no national policy which will enable us to accomplish these tasks on the massive scale necessary.

Nor will there be the fundamental reforms in our local governmental institutions that would give the citizen and his elected officials adequate tools to shape their environment.

The big immediate questions are: How insistent are we going to be that the Federal Government work with the States and private organizations to develop a national plan?

How insistent will we be that the multiplicity of local government units be consolidated so as to make planning and carrying out the plans possible?

You can do something about it. You through your organization and as individuals can help mold public opinion. You can help shake the Nation out of its lethargy.

(more)

Oh, I know you can say that you have been trying to do it for decades and hardly anybody paid any attention. But there is one major difference now. Before this, the people were not ready to listen. But now I think they are ready. The riots, crime, unrest, and poverty that are shaking American society are now beginning to be recognized as products in part of our rural-urban imbalance.

You have raised your voices before. Now is the time to shout yourselves hoarse.

Both as informed Americans and as exponents of your faith you have this responsibility. The recent Vatican Council was explicit about the obligation of the individual to act in the community.

The Decree on the Apostolate of the Laity said that the laity in fulfillment of their civic duty "should feel themselves obligated to promote the true common good ... make the weight of their opinion felt ... cooperate with all men and women of good will ... hold discussions with them ... and initiate research on social and public practices."

Do not grow tired -- do not give up. Keep on joining your voices to those of others who are beginning to think like you. Persevere, and the vision of America -- the vision of the rural community of the future -- that is in our minds can be a reality.

(more)

What is that vision? Well, this is the America I see in the years ahead.

I see a countryside dotted with clusters of renewed small cities -- new towns -- growing rural communities.

I see each cluster with its own jobs, its own industries, and with its own college or university.

I see each with its own medical center, and its own cultural, entertainment, and recreational centers.

I see good farms in these clusters -- and an agriculture fully sharing in the national prosperity.

And, standing tall, I see our great cities -- intact, but changed -- free of smog -- free of blight -- free of despair -- true centers of commerce and culture.

I see the American people living where they choose -- at ease with each other and with their environment.

That is my vision of America -- a rural-urban America in real balance.

Is it utopian? Maybe. But perhaps it is not far off. Perhaps it is just over the horizon.



U.S. Department of Agriculture
Office of the Secretary

13
An Englishman visiting Washington was being shown the sights along the Potomac by his American guide. "Here," the guide said, "is where George Washington threw a dollar across the river."

The Englishman, a clever fellow, replied, "Well, a dollar went much further in those days."

"True," the American replied, "but Washington performed a more fabulous feat than that. He once chucked a sovereign across the Atlantic."

The American, of course, was a woman. It takes a woman to be that quick on the up-take.

Over the centuries, however, Americans have been noted for fabulous feats. Indeed, Thomas Wolfe once wrote of America,

"It is a fabulous country, the only fabulous country; it is the only place where miracles not only happen, but where they happen all the time."

This is the America I'd like to talk about with you today.

In the din of the moment you may not recognize this as a fabulous country. The disenchanted, the disaffected, and the discontented are hung up on a broken record entitled, "What's wrong with America."

Address by Secretary of Agriculture Orville L. Freeman before Lutheran Women, Chicago, Illinois, Conrad Hilton Hotel, 10 AM August 13, 1968.

And there is plenty wrong.

We have more than enough food to wipe out hunger -- yet, one-fifth of our people have poor diets. That's wrong.

We have the capacity to educate not some of our youth but all -- yet we are not doing it. That's wrong.

We have the means to furnish ample medical and hospital care for young and old, rich and poor, country people and city people -- but too many are still denied it. That's wrong.

We have the resources to provide a truly full employment economy -- yet among ethnic groups in some places unemployment runs 20 percent or more. That's wrong.

We can wipe out poverty and discrimination, provide decent housing, eliminate slums and hunger, reduce crime, alleviate congestion, keep our air and water from pollution -- but we are not doing these things as well or as swiftly as we must. And that's wrong.

These are blots on our society. Let's recognize them. Let's not gloss over them. But let's also remember that America has truly been called the "half-brother of the world -- with something good and something bad of every land."

When I look at these half-brother countries of ours, I am reminded of Winston Churchill's famed observation. "Democracy is the most ridiculous system of government ever invented -- except all others."

(more)

USDA 2532-68

As I compare this land of ours with others I've seen -- and I've seen many -- I can paraphrase Churchill: "America is the most fault-ridden country in the world -- except all others."

Because while there's plenty wrong with America -- there is much, much more that is right.

I'm frankly very weary of the shrill, unthinking, uninformed, vituperative chorus telling us what's wrong with America -- and I think you are too.

I think it's long past time for those of us who know how fabulous this country really is to speak up for it -- to start talking back -- to tell the story of what's right with America.

Twelve million of our people have moved up and across the poverty line since 1961. That's right with America.

Around 6 million of our young people are in college today -- about one-third more than four years ago. That's right with America.

The average American has a higher standard of living than the average citizen of any other country. That's one thing that's right with America.

The average American's real income -- after allowing for higher prices -- has risen 18 percent in the past seven years. That's another thing that's right with America.

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USDA 2532-68

Negro voter registration in five southern States has roughly doubled since 1964. Negro children attending integrated schools in 17 southern and border States have tripled. The educational gap between Negro and white students was two years in 1960. It is less than six months today. That's right with America.

And here's something else. The average American buys the most abundant, varied, and cleanest diet in the world for only about 17 percent of income after taxes. If anyone thinks that's not important ask the housewives of other nations where food takes 25, 30, or, as in Russia, nearly 50 percent of income.

And this, I say to you, is another thing that's right with America.

True, ours is not a finished society. Certainly it is not finished in the way its enemies, at home and abroad, would like to see it -- it is not a declining society -- it is not kaput. But what is more important, it is not a finished society because it is nowhere near the end of its growth.

It is a changing society, a developing society -- a revolutionary society, if you will. The revolutionary spirit of 1776, based on a belief in human dignity, has survived for almost 200 years -- and we can thank God for it.

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USDA 2532-68

This spirit in the breasts of millions of Americans who have gone before us created the tensions that brought us equality at the ballot box, that cracked the grip of the economic royalists of the 19th and early 20th centuries, that started a peaceful revolution toward economic opportunity for the common man, and that joined a concept of social concern for all to the changes sweeping the economic framework of the Nation.

It brought us today's tension, today's unrest as a reaffirmation of that spirit because we know that what we have done is not enough. We know that economic opportunity is not yet open to all -- and that discrimination and poverty keep millions from the chance at decent lives, from the opportunity for human dignity central to that revolutionary ideal -- and, most important, we know that it need not be so.

There is work to be done -- work by me and work by you, for this is your revolution, too. It belongs to us all.

And what each of you does in this ongoing revolution is more important than what I do, or what anyone else in government does, because in truth the unfinished task does not lie in Washington, or in the State Capitol or in City Hall.

It lies in the daily lives of the women, and the men and the children, in every community across this land.

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USDA 2532-68

Government can administrate, government can legislate -- it can help -- but it can't provide the enlightened local leadership, the attitudes of mind and heart that determine what a community does with what it has, materially and spiritually, in the service of all its people.

These are born and nurtured -- and yes changed -- by the people themselves, and only by them.

Now I am not going to suggest that you go home and take the nearest soap box or pulpit and orate for change in your community. We have too many people talking too much about too many things already.

Nor am I going to suggest that you go home and study the issues involved. I suspect that most of you have done that and reaped a swarm of perplexities and a mass of doubts.

I say "welcome to the club"; and then I am going to suggest that you go home and get involved, not with the issues, but with the very stuff of the issues -- that you go where the action is, not the oratory and debate; that you get your hands dirty grappling with the grimy problems that fester to one degree or another in every community large or small.

You are asking, "But where do I start?"

I can assure you that there are places aplenty in any community, but let me give you one example, involving a big job that needs to be done in this country and done now.

There is as we know, hunger in America, and under-nutrition.

You have heard and read that the Department of Agriculture is the villain in this American tragedy. I did not come here to argue the merits of that case. I will only say that this is an unjust, short-sighted and false accusation. For eight years now the Federal government has been urging, cajoling, and begging local governments all over the Nation to take advantage of the food available to them at no cost if only they would distribute it to those in need.

My purpose here today is to sketch briefly recent steps that we in the Department have taken to make more food available to those who need it and to point out what you, the women of America, can do to make sure that they get it.

About 6 million needy persons got better diets through improvements in the Food Stamp and family feeding programs the past year. And we are continuing to do all we can to expand these programs.

A year ago we found that one-third of the poorest 1,000 counties in the Nation were not being reached with food assistance programs. Not because we didn't seek to make programs available -- but because local officials didn't cooperate. You see, the normal procedure is for USDA to come in with food aid programs upon local request. In the family feeding program, for example, we make food available, but the actual distribution is carried out by local people.

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USDA 2532-68

More than a year ago, we decided to make an all-out effort to reach the 331 unserved lowest income counties with either the family feeding or the Food Stamp program.

I am proud to be able to tell you that very soon -- if not this month -- we will have a program operating in all of these counties.

To widen participation in the Food Stamp program we have reduced the investment needed by the lowest income people to enter the program from \$2.00 a month per person to 50 cents. And, where necessary, welfare or other organizations will pay the 50 cents.

Now you might think this would solve the problem. But it doesn't. It doesn't because the Federal government can't do the whole job alone. It takes local government and local citizens if we are to reach the people most in need.

Besides poverty, there are at least three other basic reasons why people in this country go hungry even when food is available. One is ignorance. Millions of persons in this country who don't read very well, including some who don't read at all, and who don't have much access to radio and television, just don't know that these assistance programs are available.

Or if they do, maybe they don't want to go downtown because they lack proper clothing or aren't feeling well, or misleading information has left them feeling the aid they will get is not worth the effort.

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A second reason why we still have hunger existing alongside of plenty is lack of transportation.

Under the family feeding program we now make 22 foods available to the needy. These include canned chicken and chopped meat, butter and margarine, cheese, nonfat dry milk, instant potatoes, dried beans and peas, rice, flour, raisins, peanut butter, and several others. These foods provide most of the requirements of a nutritious diet -- not all, but most.

The monthly allotment is about 35 pounds of food per person per month. Now this can be a pretty heavy load, especially for the old and infirm. Multiply that by four or five persons in a family and you get a total of roughly 150 pounds of food. Let me ask you: How would you get 150 pounds of food from some place downtown to your home if you didn't have a car or someone to drive you?

This is a very real problem.

A third basic reason for hunger and under-nutrition in this country -- one usually overlooked, but probably the most important of all -- is that many people don't get proper value from their food. Not only the poor but many middle income and well-to-do families -- simply because they don't know the elements of good nutrition or don't care.

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USDA 2532-68

Our most recent study shows that one-fifth of our people, including many in good economic circumstances, have poor diets and only half of our people meet or exceed the requirements for good diets.

Our Research Service and Extension Service carry on several programs to help American families improve their nutrition. We conduct nutrition workshops, teach consumers to buy food economically and wisely, help recipients of donated foods and participants in the Food Stamp program use food more effectively, and conduct nutrition research. But education is, and always has been, a slow process.

Obviously, there are many reasons why hunger and under-nutrition exist in this country -- side by side with plenty. Let me say bluntly that they will continue to exist unless people like you take a really active interest in improving the situation.

Now, "What can you do?"

First, you can go to your minister or to a local public official or to the mayor of your city and find out what's being done to solve the hunger problem where you live. If nothing's being done ask, "Why not?" If there isn't a Food Stamp Program in your county don't rest until one is established.

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USDA 2532-68

Second, you can go down to the county food distribution center or to the Food Stamp program office, if there is one in your city or county, and look around. See how it's run. See if an effort is being made to bring everyone who needs food into the program. Find out if people are treated courteously and in a friendly way and if the certification process is handled efficiently. If you don't like some things or if you see ways to improve things, make your opinion known -- either by talking or writing to people on the local level, or by writing to me.

Third, you can personally help solve the very difficult transportation problem. Maybe you can get a carpool or other transportation organized to take poor people, especially the old or infirm, to and from their homes when they pick up their food supplies.

Fourth, you can volunteer to help through your church organizations or PTA or through the local Extension office in providing nutrition education. This might be in a 4-H Club nutrition program, in visits to the poor, in nutrition workshops, or in any number of ways that you will see as you inquire about what can be done in your own communities.

Finally, you can check on the School Lunch Program in your schools. Twenty million children were helped to better diets last year through school lunches but hundreds of thousands were not, and they were not because local people were indifferent or they were unwilling to build the facilities they must have to start such a program.

So go to your own school. Does it have a lunch program? If not, why not? If it does, are all the children getting lunch, particularly those who can't afford to pay, or are some discriminated against because they are poor, or they are black?

If a poor diet dulls the learning power, cuts the potential of one child, the potential of the entire community is that much less.

We now have the legislative tools to eliminate hunger in this country; we have the tools to attack its basic cause -- poverty, and we now have in every state and all 3,000 rural counties an advisory group that can help local people to use these tools.

We call them Technical Action Panels. They were set up under Department of Agriculture leadership, but they include officials of other Federal, State and local governmental units, and their job is to help you and your neighbors improve the quality of living in your own community.

I suggest that you acquaint yourself with the membership of the panel in your county, and with what it is doing or can do, and that you find out if it is being used to the fullest.

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This is what it will take -- on the spot concern and on the spot help by men and women of good will in every community -- if we are to create opportunity, justice, the chance for human dignity for all Americans.

And it is the extent of this concern -- this willingness of Americans to invest themselves as well as their vote in meeting all the challenges that remain in this fabulous country -- that will determine the course of the ongoing revolution.

I seem to have been making a lot of suggestions here today, but I want to make just one more, and then I will close.

I recommend, if you haven't done so, that each of you read the Report of our own Lutheran Church in America's Task Group for Long Range Planning, the report entitled Significant Issues for the 1970s.

It makes a better case for Christian involvement in the American Revolution than I ever could. In there you will find this passage:

"At a time when the future appears to be threatened by self-perpetuating technology, by concatenation of powerful interests, by fears and jealousies engendered by ideological conflicts, the question arises, 'Who Speaks for Man'?"

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USDA 2532-68

I believe that amidst the tension and unrest of today, we have an unparalleled opportunity to speak for man, to act for humankind, to bring the American ideal to full fruition. We have, for the first time, the resources, the time, to create a society whose watchword is dignity for all, in which no one is damaged beyond hope by forces that can be controlled. Perhaps no time in history have a people had a comparable opportunity to build a truly Great Society.

We in government can help; sometimes we can take the lead, but we must depend on people like you, the compassionate women of America, to carry the ball.

Actually, we always have depended on our women. But the historians have usually overlooked the role of the American woman in building this Nation. We read much about the Pilgrim Fathers but little about the Pilgrim Mothers. We think of this country as being extended and pioneered by the frontiersman, but we seldom think of the role of the frontierswoman.

Actually, I think the frontierswoman was just as brave, and maybe braver, than the frontiersman. I think the Pilgrim Mothers made no less, and probably greater, contributions to our young country than the Pilgrim Fathers. I need only cite the fact that, by and large, it took two Pilgrim Mothers, two frontierswomen, to bring up one family. They worked long and hard and they died younger than their men.

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This Nation throughout history has depended greatly on the unsung, unheralded work and dedication of its women. This is no less true today. It will be equally true tomorrow.

There are frontiers still ahead of us. There are miracles still to be wrought. The life of free men and women has never been easy -- and it never will be. A free society is built, as President Johnson has said, by people of good will "brick by brick in the heat of the day." And the building never stops.

Those things that are still wrong with the United States of America can, and will, be made right. That has always been the faith and the hope of the American people. That is why this Nation has been, and is today, and will remain tomorrow -- a fabulous country.

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Athens, Ga., Aug. 21, 1968

Secretary Freeman Raps Rights 'Demagoguery':

Secretary of Agriculture Orville L. Freeman today rapped what he called demagoguery over the rights of various levels of government and said the issue is not one of rights but of responsibilities.

Mr. Freeman said the overriding challenge of today is building a national quality of life from the quantity of life produced in 200 years of pell mell, unplanned progress.

"To build of this Nation a Community of Tomorrow worthy of the American ideal of human dignity, of opportunity for all, will require a nationwide effort in the barn-raising spirit of another era," he said in remarks prepared for delivery at the annual meeting of the Soil Conservation Society of America tonight in Athens, Ga.

Mr. Freeman called for "a spirit of intergovernmental cooperation, an end to contention between units and levels of government."

"We have probably wasted more political energy in this country over the issues of state's rights, local rights and the Federal role than any other," he said.

"And in this, a presidential election year, we hear the voice of demagoguery in shrill cry once again around the country, seeking to set one part of government against another. The people can only lose from such a course, for we have reached the time in this society when the issue has changed from one of rights to one of responsibilities."

He said the time calls for a coordinated division of labor, "recognizing what each level of government can do best within a national plan for a national goal."

"Political boundaries must cease to be barriers to progress," he continued. "The people in towns and counties that can't now provide good schools, or hospitals, or other services must understand that they have no chance for a life of genuine quality unless they band together in multi-county planning to pool the resources of the whole area for the good of all its parts.

"The central city has got to involve the suburbs in its planning and its problems; each is dependent on the other. They share an economic base and interdependent transportation. You can't have a good life in one and not the other.

"This whole society, linked as it is by high speed transportation and instant communication, is interdependent; it is a truly national society. Like it or not, the problems of one of us are the problems of all, and nowhere is this more evident than in our rural-urban imbalance."

At one extreme of this imbalance, said Mr. Freeman, are cities congested with people whose needs they can't meet, while at the other is a depopulated countryside too poor to serve its people, pushing them toward the already impacted cities.

Mr. Freeman told the conservationists they could play a leading role in restoring to the Nation the people-space balance necessary for a life of quality.

He said such a goal is possible, citing gains made in slowing the country to city migration by creating jobs in nonmetropolitan areas.

"We can do it," he said, "if we build on the beginning we have made, if we harness the momentum in the countryside and the growing awareness in the cities within a National framework under a National commitment -- a commitment to join together to build Communities of Tomorrow that will offer a choice of where to live in dignity and where to work in dignity to 300 million Americans of the year 2000 and to those who come after them."

Earlier in the day, the Secretary presided at ceremonies launching a new rural housing program made possible by the Housing and Urban Development Act of 1968.

He spoke at Triana, Ala., and Washington, Ga., where ground was broken for the first two homes to be financed under the Act.

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Office of the Secretary
U. S. Department of Agriculture

While it is not necessarily so, this may be my valedictory as Secretary of Agriculture before a conservation group such as this.

At least I will treat it as such, because a valedictory is usually a summing up and a look at the future, and I believe we have reached a point in American life where such an assessment is in order.

For almost 200 years, we as a Nation have used the land and its resources to create an abundance of things to satisfy man's physical needs such as the world has never seen.

We have tamed the wilderness, opened the frontier, put two cars in many garages and a television set in every living room in a rush of progress that has left us unsatisfied, uneasy, for in many ways today progress seems to have left us trailing in its wake, out of control, wondering where it will take us next.

Address by Secretary of Agriculture Orville L. Freeman
at the 23rd Annual Meeting of the Soil Conservation Society of America in the Coliseum at the University of Georgia, Athens, Georgia, at 8:30 PM, EDT, Aug. 21, 1968.

The frontier is closed; space is limited; people are bumping into people for the first time in our society. The evidence of our opulence is displayed for all -- rich and poor -- on television, in the newspapers and magazines and on the radio. But our ability to enjoy this opulence is eroding. The second car goes no faster through the traffic jam than the first; the half-hour gained by the shorter work day is wiped out by the hour's commuting to the job and back; the poor, who see this opulence and cannot share it, march across our TV screens and we are troubled.

And we are finding that we have been changing the natural environment at a rate faster than nature can handle it, and we are getting a feedback from nature in the form of smogged-up air; polluted rivers, silted harbors, algae-covered lakes, eroding soil.

We are discovering, in short, that in the pell mell drive of progress we have achieved an unprecedented quantity of life with little, if any, thought to the quality of life.

(more)

Our cities are not only centers of culture and commerce but of congestion and strife. The countryside is a haven of quiet, but too often the quiet of decay, the peace of decline.

Students revolt, minorities riot, the poor march on Washington. It is an uncomfortable time. But with all its discord, despite its troubles, this is also a stirring time in which to live -- a challenging time. It offers to this generation a unique opportunity to shape the future of the Nation by shaping the future of the land. I want to talk about that for a few minutes today.

Thanks to technology and to its progress, we as a Nation have, for the first time, the resources -- and the time -- to literally remake the face of the Nation in terms of the best use of all of its land for all of its people -- to remake it in terms of quality of life, not quantity of life.

This is the great challenge and the great opportunity of our time.

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There is no longer a valid reason why human beings should be stacked at the rate of more than 122,000 per square mile in Harlem;

There is no valid reason why 43 of every 100 country boys reaching working age must go elsewhere to find jobs;

There is no valid reason why millions of Americans must spend much of their lives standing in line, waiting in traffic, while millions of others watch the grass grow in the cracks of Main Street.

There is no reason for people to spill out haphazardly over the land -- ugly strip cities stringing along the highways; subdivisions leapfrogging ring upon ring, leveling hills, felling trees silting up streams in senseless, uncoordinated, wasteful expansion.

And there is absolutely no sense at all in the kind of thinking that says this trend to impacted cities and depopulated countryside must continue, that it can't be halted.

(more)

I contend that all this can be halted -- and even reversed. I contend that we can plan for and achieve a geographic distribution of opportunity in this land that will give every American the chance to choose where he will live and work, that will put quality of life within the reach of us all.

I didn't say it will be easy. It will require a total National commitment by people and by governments at all levels to develop a basic National policy of conservation and use of resources and space for people; of local, area, regional and National planning -- and action -- for people.

But it can be done, and it must be done, because we are expecting at least 100 million more Americans to be living on this land by the year 2000 -- three hundred million of us, three people standing in a little more than 30 years where two stand today. That means three people in the school, on the highway, at the clinic, by the seashore, at the lake, on the street.

This Nation has been blessed with space for these people; there is room, and to spare -- if we use it.

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It is obvious that we are not using it now, not when 70 percent of us are elbowing through life on a little less than 2 percent of the land, not when the boarded up store is a commonplace for the 30 percent of us who live on the remaining 98 percent of the land.

But gloomy as this picture sounds, there is real cause for hope, and it stems largely from the countryside, where I can report from first-hand exposure that more and more of us are waking up to the consequences of lopsided growth, that steps are being taken in growing numbers of communities to redress rural-urban imbalance, to stop impacting the cities and to repopulate the countryside.

Local people are acting to restore jobs and opportunity that will keep their young people at home and attract others, acting to slow the migration that sent 22 million rural persons to the cities from 1940 to 1960 and that still continues.

And I am proud of what the Department of Agriculture is doing to further this cause of rural-urban balance, of providing for people a choice of where they want to live their lives.

(more)

I like to think that the Department has elevated the human equation in the care and use of resources, an equation that says environment, wherever it is, must nurture the spirit as well as house the body, that conservation means the balanced use of resources that truly husbands and conserves them.

We have lifted our conservation sights from the farmlands of America to resource management, resource development for all the people, to the total relationship between man and the world around him.

This broadened horizon is perhaps exemplified best by our Resource Conservation and Development projects, authorized by the Food and Agriculture Act of 1962.

Forty-one of these projects exist today, covering more than 112 million acres. They are regionwide, bootstrap operations in which people in several counties pool their talents and their resources to develop the whole area for all the people.

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We help -- but local people and local initiative determine how effective that help is. The 750 project measures completed by July 1 are providing 11,000 jobs and have increased annual gross income for the people they serve by more than \$120 million.

I got a particular thrill from visiting one of these projects last year -- the Lincoln Hills RC&D project in Southern Indiana, the first in the Nation. Last week I was equally impressed when I toured the West Central RC&D project in my own home state of Minnesota.

The thrill came because I could measure what had been done in the four years since I had been there at the inception of each in 1963.

At Lincoln Hills I saw a new high school in Perry County, new modern medical and dental facilities in Crawford County; two new bridges across the Ohio River; new and expanded wood products, metal, ceramics and other industries.

(more)

And I helped dedicate a lake where there had been no lake four years before -- a lake that already was providing fun for three small boys who were busy fishing as I was speaking, and a lake that was planned to be the focal point of a growing tourist business.

One old-timer summed it up as we walked from the lakeshore after the ceremony.

"This project probably won't help me much," he said, "but it will help keep our young people, so I'm all for it."

This is where we've got to key our development from now on -- people, and all the people, city and country alike.

One way we have focused on people in the USDA is the formation of what we call Technical Action Panels in all 3,000 rural counties and in all the 50 states. Every county in the United States has at least 4 programs carried out by professional personnel, involving the Agricultural Stabilization and Conservation Service, Soil Conservation Service, Farmers Home Administration and Extension Service.

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The Technical Action Panels comprise the senior USDA field officials and representatives of other government agencies, too, including State and local. Their assignment is community development -- to help bring about a comprehensive development plan and then to pinpoint the programs that can best help to solve people or resource problems. TAPs make every effort to provide technical and planning help as needed, as well as some of the resources to carry the plans forward.

We have assembled in USDA a considerable array of programs designed to help communities and individuals to move themselves into the mainstream of the economy, and by our outreach program we have enlisted the aid of other government agencies that heretofore had not been putting a fair share of their funds and effort into rural America.

I will not try to list them all, but will only say that they range from a loan to enable a boxed-in farmer to start a part-time welding business to the multi-county Resource Conservation and Development projects I mentioned a moment ago. And today, unlike 8 years ago, the target is not just to make a particular service in a particular agency available, but to join them all together under local leadership to build balanced communities.

(more)

And people are using these programs. Opportunity is being restored in hundreds of communities in the countryside. Figures show it.

Non-Metropolitan America's share of the non-farm job growth rose from 20 percent in 1962 to 27 percent in 1966.

During the Sixties, the rate of increase in employment in Town and Country America has been double the rate of the Fifties.

Some 30 states now have designated multi-county planning districts for development; multi-state planning is advancing in several parts of the Nation.

Just today, I broke ground for two new homes, one in Triana, Alabama and the other in Washington, Georgia, the first to be financed under the new Farmers Home Administration housing program authorized by the Housing and Urban Development Act of 1968. Not only does this landmark legislation mark a long stride toward decent housing in rural as well as urban America, it also includes matching funds for comprehensive multi-county planning, the foundation of balanced community development.

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And, most important, the migration from the countryside to the cities has slowed from a net average of more than a million a year in the Forties and fifties to less than 500,000 a year in the first five years of the Sixties.

There is progress in the countryside, and growing momentum, but measured against the task, it is only a beginning.

To build of this Nation the Community of Tomorrow worthy of the American ideal of human dignity, of opportunity for all, will require a nationwide effort in the barn-raising spirit of another era.

It will require local initiative, state initiative, Federal initiative and private initiative -- all working toward the same goal -- the development of communities, big and little, urban and rural -- not to make them bigger, but to make them better.

It will require people who care, people who understand that discrimination, poverty, congestion, pollution, discord in the life in any corner of the land, make life in the rest of the land that much less.

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It will require a spirit of intergovernmental cooperation, an end to contention between units and levels of government. We have probably wasted more political energy in this country over the issues of state's rights, local rights and the Federal role than any other. And in this, a Presidential election year, we hear the voice of demagoguery in shrill cry once again around the country, seeking to set one part of government against another. The people can only lose from such a course, for we have reached the time in this society when the issue has changed from one of rights to one of responsibilities. Demagoguery only wastes time, wastes motion and slows progress.

Under our constitution, the Federal, State, and local governments are interrelated parts of a single governmental system. As our population grows toward 300 million and beyond, and as our society progresses, the need for government to provide both more and better services grows in almost equal proportion.

Of necessity -- because local units could not or would not do it -- the Federal government in recent years has assumed an increasing share of the total responsibility, but we are fast reaching the point of diminishing returns.

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The times call for a coordinated division of labor, recognizing what each level of government can do best within a national plan for a national goal.

Political boundaries must cease to be barriers to progress. The people in towns and counties that can't now provide good schools, or hospitals, or other services must understand that they have no chance for a life of genuine quality unless they band together in multi-county planning to pool the resources of the whole area for the good of all its parts.

The central city has got to involve the suburbs in its planning and its problems; each is dependent on the other. They share an economic base and interdependent transportation. You can't have a good life in one and not the other.

This whole society, linked as it is by high-speed transportation and instant communications, is interdependent; it is a truly National society. Like it or not, the problems of one of us are the problems of all, and nowhere is this more evident than in our rural-urban imbalance.

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At one extreme, we have the cities, so congested with people that the cities are, as one mayor put it, "running as fast as we can to stay as close behind as possible" to the problems of serving those people.

At the other extreme, we have rural areas where the economic base is so weak that the people remaining are deprived of services and opportunity and are pushed toward the already impacted cities in search of those services and that opportunity.

There was a time when it made sense -- it was necessary -- to locate cities near sources of transportation and power, but cities need no longer to be tied to the railhead, waterfall, or seaport.

Permit me to quote from a recent statement by John Gardner, former Secretary of Health, Education and Welfare and now Chairman of the Urban Coalition.

"Within the past 20 years," he said, "the urge on the part of large numbers of people to pile into the cities has become wholly anachronistic.

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"For 10,000 years, people had excellent reason to crowd themselves into the cities. Only there could they find the richness and variety of stimulation that make for creativity. Only there could they find the massed resources and economies of scale that make possible the greatest enterprises.

"Today, thanks to advances in communications, transportation and the arts of organization, we can provide these conditions in any point on the map that strikes our fancy."

Any point on the map. The implications there for the American future are breathtaking. It opens a new frontier, vaster and more complex than the wilderness of 200 years ago -- and more challenging: The frontier of balanced growth for quality of life, of the purposeful, proper use of the land and with it the space of America for the people of America.

We can -- and we know it -- conquer this new frontier. We can make room for a growing population in this vast continent, room for economic growth, room for ample recreation facilities, for highways, airports, clean cities, fine towns, prosperous farms -- all the needs of people.

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We can do it if we build on the beginning we have made, if we harness the momentum in the countryside and the growing awareness in the cities within a National framework under a National commitment -- a commitment to join together to build Communities of Tomorrow that will offer a choice of where to live in dignity and where to work in dignity to 300 million Americans of the year 2000 and to those who come after them.

And no one will have a more important role on this frontier than the soil conservationist, the man who cared for the land when few others did, who conserved the resource that many others would have squandered.

Your knowledge, your skills, your advice, your personal leadership, will be needed as never before if we are to develop, protect and gear the land and water resources of the United States for balanced growth in terms of all the people.

The weight of your expertise can raise local eyes from the city limits, past the county line and across the state border to the geography of a Nation, and the people of a Nation.

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For this, in the end, is where the destinies of the smallest town, the remotest farm, and the biggest city lie -- in one Nation, one people.

You will be amply repaid for your part in building the Communities of Tomorrow when future Americans say of you: "They loved the land and the clear running stream. They appreciated the value of the forest and the field. They showed us how to fashion from quantity a quality that kept a growing Nation strong."

USDA 2677-68

Back in this country's sodbuster days a man was crossing the prairie and stopped to fix himself something to eat.

He struck a match to the prairie grass and started to cook a pan of bacon over the fire.

Now if you've ever seen prairie grass burn, you know that kind of fire can move pretty fast. The man had to almost run to keep up with the fire -- all the time holding his pan of bacon over it.

When the bacon was finally fried, he was two miles away from his coffee.

The purpose of this meeting is to light some fires -- and at the same time to try to keep our bacon and coffee together.

You people in private industry have a big stake in building foreign markets. We in government have a big stake in building foreign markets. Instead of working two miles apart, I hope that, through this meeting and the association we form here, we can work closely together.

American agriculture has a modern, efficient plant, a plant that we would like to have operating as nearly as possible at full capacity. As you know, it is not at full capacity now -- some 60 million acres of cropland are not in production.

Remarks by Secretary of Agriculture Orville L. Freeman to open the meeting of the Agribusiness Industry Advisory Committee at 9:30 a.m. September 13, 1968 at the U.S. Department of Commerce, Washington, D. C.

One obvious avenue to increasing the use of our agricultural plant -- and one that we hope to discuss fully here today -- is exports. The more we export, the more cropland we can involve and the more income there will be for farmers, and also the more income and the more jobs -- there a million or so of them now -- for city people whose work directly relates to agriculture, and the more we will contribute to helping solve our country's balance of payments problems.

And the more cropland the farmers use, the more machinery, seed, fertilizer, chemicals they will need -- all to the benefit of industries such as yours.

For some years we in agricultural work have been part of a successful program to build American agricultural exports.

We have helped to build these exports from a value of \$3.7 billion in fiscal year 1959 to an average value of \$6.6 billion during the past three fiscal years -- a gain of 78 percent.

So we know it can be done. We know it is worth doing.

From a balance of payments standpoint alone, our agricultural exports have grown to where they contribute an average of \$1 billion a year to our Nation's international account. In other words, the payments deficit has been this much smaller in recent years than it would have been without such a contribution.

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I think this export success story should be of particular interest to this committee because it demonstrates that it is possible for Government and private industry to work as a team in getting a job done.

An important part of the success in expanding our agricultural exports can be attributed to the foreign market development program in which the Department of Agriculture and more than 60 nongovernmental agricultural trade groups are carrying out jointly-funded export promotion projects in the principal markets of the world.

This has proved to be an excellent program. One of our speakers will be discussing it with you this morning; but I would just like to say in passing that it illustrates my concept of how government and private business can, and should, work together.

We in the Department of Agriculture have for almost 8 years based our programs and directed our efforts toward an effective, working partnership in which our efforts and those of agriculture itself interlock to serve the best interests of all.

And I think there has developed a spirit of new and increasing cooperation that has had a salutary effect. We have, for example, used our nationwide reporting and statistical resources to warn stockmen when they neared overproduction, or when they were marketing cattle too heavy -- both of which threatened price. And they responded, as grain producers have responded to suggestions that they help shore up their prices by storing their grain.

That, to me, is a glimpse of what the business-government relationship should be: A partnership in which the resources of each are used to supplement and complement those of the other.

That is why we have invited you here today. We want this committee to consider the challenges facing agriculture and agribusiness, to set some goals and to come up with ideas that will lead to action. We want to help, when we can and where we can, in reaching these goals.

There are many opportunities for us to work together in building the export markets in which both American business and American agriculture can share. We want to work with you in an effective partnership, a relationship in which the whole is greater than the sum of the parts for the good of agriculture, for the good of business, and for a stronger Nation.

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Office of the Secretary

The word "conservation" has been rubbed fuzzy by its varied uses and misuses over the years. It has always been a kind of golden word representing a sort of ideal project to be taken up later when it might not be too much trouble.

I get a little angry when I have to make a statement like that.

The word "conservation" should not have a fuzzy meaning in any detail. And conservation is not a project that can be taken up later. It must be taken up now and vigorously, if man is to survive as a species.

Let's begin by dispelling the fuzziness. Merriam-Webster says conservation is "a careful preservation and protection of something; especially, planned management of a natural resource to prevent exploitation, destruction, or neglect."

That seems perfectly clear to me, but let me repeat part of it, with emphasis on certain words:

Conservation is not only a "preservation and protection," but a "planned management" of our natural resources. And it is necessary to prevent "exploitation, destruction, or neglect."

Indeed, it is necessary. Man cannot continue destroying his habitat without destroying himself. As the Yearbook of the Department of Interior so dramatically pointed out last year: Man is an endangered species.

And I don't want to be responsible for any part of his demise.

I don't think you do, either. Your presence here gives me the only proof I need that both of us want to pick up the challenge that our crucial times offer us and not only save mankind from burning up his nest,

Remarks of Assistant Secretary of Agriculture, John A. Baker at the annual conference of State Conservationists, Kellogg Center, Lincoln, Nebraska, September 16, 1968, 8:30 a.m.

but to help create a better Community of Tomorrow, in which man not only survives but lives out the fulfillment of his promise.

We are given a fertile land -- Mother Earth, many people call it. We are given bountiful green forests and the millions of creatures that live therein. The earth is a vast storehouse of minerals. Clean water was our inheritance. So was clean air. Man himself was given marvelous attributes and abilities to adapt, and shape and manage the world about him.

What are you and I, the stewards of this precious storehouse, going to do with these resources?

We cannot afford to squander them because 300 million Americans are expected to live in the year 2000 where 200 million Americans are living today and the demand for water, food, timber products, recreation space, and land for homes and schools and factories will increase accordingly.

Our resources, human and otherwise, are the raw materials with which Americans will build tomorrow's home for the 300 million -- the Communities of Tomorrow. These resources must be preserved, protected and managed in such a way that all Americans may live where they wish to live, and to find there a job rewarding enough to provide the amenities of life which this Nation is capable of providing.

The Communities of Tomorrow are not the cities of today, piled higher. They are the cities of today, opened up to provide more space in the middle, and they are the countryside of today, planned and developed in such a way that each man's private space bubble has room to breathe, a countryside in which man lives harmoniously and productively with his environment.

Our conservation of our resources is essential to the building of the Communities of Tomorrow and the fulfillment of the American dream.

True conservation -- the kind that you are involved in -- is creative. It seeks the best possible use of all resources and assures their preservation.

True conservation demands a total systems approach which assures that decisions regarding the use, restoration, development and preservation of resources are made after asking this question: "What will create the best environment for mankind?"

A high-quality environment is a basic human need.

To attain it, you and I in the Department of Agriculture, are committed to six areas of high-priority action:

1) Reduction of damages and losses from pollution to soil, water and air by agricultural chemicals, crop, livestock, and forestry wastes, sediment, sewage, and mining operations.

2) Revitalizing rural communities through effective, balanced use of human talents and natural and economic resources to achieve more jobs, with more income for more people.

3) Maintaining and improving the quality of rural living as an attractive, healthful place to live, through increased assistance, providing equally to all people the services of housing, water supply, waste disposal, power, communication, transportation and education.

4) Expanding outdoor recreation on both private and public lands to help meet the public demand, and to create jobs and strengthen the economy of the countryside.

5) Enhancing natural beauty through landscaping, screening of residential

and industrial developments, rehabilitation of surface-mined lands, protection of soil and plants, and other conservation activities.

And finally, (6) protecting public health in both rural and urban areas by controlling pests that ravage food crops and livestock, and transmit human diseases; guarding the wholesomeness and quality of food products against contamination, reducing pollution, and providing and improving sanitation and waste disposal systems in rural areas.

The depth and beauty of natural resources in town and country America beckon the harried city dweller who seeks to work out his personal and social fulfillments in an environment as free of physical unnecessaries, such as pollution, as he can find it. Industry and government agencies are finding such an environment more and more desirable for the location of new facilities.

But our natural resources offer even more. They offer a nearly endless variety of recreation opportunities in town and country America, opportunities not only for the participant but for the resident who can make a very rewarding life for himself and family by providing the necessary tourist support services.

Not simply the natural resources provided by nature but the resources of historic and archeological sites can be used tastefully and profitably by people who live near these sites.

Americans are people of discovery and their demands for hospitality and services will carry the wealth of America into its farthest corners.

There are resource development programs designed to help any area in the United States to reach its proper potential. The Department's watershed

projects, Great Plains Conservation program, RC&D projects, Agricultural Conservation Programs, among others, are being used far below their potential, as are many of the varied programs of other departments and agencies.

The conservation of our natural resources is an inseparable partner of rural renaissance.

Watershed projects provide recreation opportunities and often manufacturing benefits.

Harvesting and preservation of our forests assure a continuum of industry, beauty and recreation.

Thus, the goal is freedom to live and work where one chooses -- and the need to meet it is imperative. We know the route:

Parity of farm income and development of our countryside, through industrialization and conservation of our resources. In short, the creation of job opportunities.

We have only begun the work that needs to be done.

Some 14 years after the passage of the Watershed Protection and Flood Prevention Act, by Aug. 1 of this year, 835 Public Law 566 projects had been approved for operations assistance from the Department of Agriculture. Some 205 have been completed.

These projects are protecting millions of acres of land; they are improving the economy of the communities where they are located; many are enhancing wildlife conservation; many are providing needed recreational opportunities in their areas; many store water for municipal and industrial supply. And all contribute to proper water management on agricultural lands.

Yet we have only begun.

We have yet to eliminate major flood threats in some 6,000 watersheds. We have a backlog of unserviced applications that already represents about 10 years of work, and that backlog is not getting any smaller.

Watershed projects are investments in the future. So are the Resource Conservation and Development projects.

The first 28 operational RC&D projects will result in about 73,000 man-years of employment during construction and provide continued employment of more than 50,000 man-years annually when all project measures are completed. The 750 project measures already completed by July 1 of this year have increased annual gross income of the project areas by more than \$120 million.

Yet we have only begun.

We are ready now to move from the pilot demonstration phase to nationwide operation. The need is there and, as the people of this Nation become more and more aware of the necessity for greater rural-urban balance, the demand is increasing for just such programs designed to help town and country America.

The Communities of Tomorrow, with their safe, clean and pleasing environment, depend upon the success of our conservation efforts and the success of all other local, district, State, regional and Federal efforts, both public and private, to provide Americans with an honest choice of where to live.

We cannot afford to hesitate. The exploitation, destruction and neglect of our resources, both human and natural, has gained a momentum that will be hard to stop.

Yet, stop it we must and stop it we will.

You and I, the stewards, will conserve this Nation's resources so that the American dream of freedom and opportunity may be passed on to generations yet unborn.

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To End Hunger in America

Before we move into a discussion of where we are now and where we are headed, we need a clear distinction here as to what we are talking about. Ends, means and goals have become increasingly confused in the debate over hunger and malnutrition in recent months.

We have a quantity problem and we have a quality problem.

We solve the quantity problem by making food assistance available to every individual and every family in the country not getting enough food, and to every child in school or in group activities outside school.

We solve the quality problem by learning specifically who is malnourished, where they live, why they are malnourished and what they need to correct their undernutrition. The quality problem also requires better techniques to communicate the essentials of good nutrition, and to motivate people to take nutrition seriously.

An attack on the quantity problem and the quality problem must move forward hand-in-hand.

The Quantity Problem -- Where We Want to Go:

Family Food Assistance:

1. Operate a food stamp program in every county and independent city.
2. Reduce the amounts participants pay for food stamps. Revisions planned for this year if full funding had been provided would have required no family to spend more than a third of its income for stamps. Levels of bonus coupons should be raised to purchase a fully adequate diet. At present, we have closed only two-thirds of the gap.
3. Establish national minimum eligibility standards based on family size and income.

Remarks prepared for delivery by Secretary of Agriculture Orville L. Freeman before the conference on "To End Hunger in America" at 2:45 p.m. Wednesday, October 16, 1968, in the Grand Ballroom of the Mayflower Hotel, Washington, D.C.

4. Provide financial assistance to State and local governments for program administration where absolutely necessary.

5. Authorize the Secretary to administer the program directly where the local government is not prepared to do so.

6. Administrative changes already adopted include:

a. Reduction of the minimum purchase requirement to 50 cents a person per month with a maximum of \$2.00 for a family of six or more.

b. During the first year in any area, new participants pay one-half the normal purchase requirement the first month.

c. Revised certification procedures have been adopted to more effectively reach families with seasonal or intermittent income.

d. Emergency certification for a 30-day period has been authorized to enable families to receive food stamps before regular certification is completed.

e. States may now use mail issuance for coupons. The Bureau of Federal Credit Unions and the Federal Home Loan Bank Board, at our request, have authorized credit unions and local savings and loan institutions to act as food stamp issuance offices under contract with the States.

The goals set forth in the first five points plus broader administrative changes will require legislation either to amend the Food Stamp Act or provide substantially higher appropriations.

A fully adequate program, reaching 10 million people would require at least \$2.1 billion and could be as much as \$3 billion.

Considering the difficulty we had in moving from \$225 to \$280 million for this year, solving this phase of the quantity problem should have top priority.

7. A supplementary package of foods enriched to meet the special nutrition needs of pregnant women, mothers and infants is being made available this year both in counties with the donated foods program and in food stamp areas. We expect to reach some 225,000 women and children this year. In 1970, we should reach 350,000 mothers, 150,000 infants and to 500,000 children aged one to six. When in full operation, this program will eventually cost \$140 million.

The Quantity Problem -- Where We Want to Go:

Child Nutrition:

1. A lunch program operating in every school in the country with every child able to participate regardless of ability to pay. A free or reduced price lunch should be offered to all of the 6.5 million children from needy families enrolled in school. At 15 cents per meal, the cost will be \$175 million.

2. A free or reduced price breakfast for children in inner-city schools and in consolidated rural schools. This fiscal year we expect to reach about 375,000 children. When in full operation, this program could serve as many as 2 million children at a cost of about \$54 million.

The Congress this year doubled the special assistance or section 11 funds from \$5 million to \$10 million. They held the breakfast program to last year's level of \$3.5 million and equipment funding to last year's level of \$750,000. Congress did provide an additional \$45 million

from Section 32 funds, primarily for child nutrition programs, and \$43 million will move to the States for use in low-income area schools. That \$43 million is viewed by the Congress as an emergency, one-year provision, but we will propose that this increase be incorporated in the 1970 budget.

3. We are extending food assistance programs for children to day-care centers, settlement and neighborhood houses and to summer recreational programs under the recently enacted Vanik bill. If, next year, the authorized amount of \$32 million is approved, we will be able to reach about 400,000 children, primarily those of pre-school age.

In total, then we will need more than \$1 billion to provide an adequate food service for children wherever they can be reached.

4. We have developed, with State cooperation, a set of national guidelines to determine which children should receive free or reduced price meals.

In view of the major legislative job ahead of us -- particularly in the light of the tremendous increase in appropriations that will be required to reach the goals outlined, it is essential that a sustained level of public support be achieved if we are to reach this objective.

I am suggesting two important advances here:

1. The establishment of a National Food Program Advisory Council for the U.S. Department of Agriculture to consult regularly with the Office of the Secretary and with program officials in policy planning and program development.

As part of this approach, an annual National Workshop will be held where State and local officials can participate with public groups in planning the operation of programs. This workshop would be followed by a series of regional conferences on the mechanics of implementing the food assistance programs. This will provide a communication system at all levels for the exchange of ideas which is essential to sound policy and program planning.

2. The establishment of a national organization of private agencies and organizations to develop and coordinate support for public and private programs to end hunger and malnutrition. This national organization should create sustained community support for these programs in each community, in the State legislatures and before the Congress. We need to have each community look to its own capabilities in this field, to what is being done in the State and then to focus this public support at the national level when the issues of legislation and funding are before the Congress.

The Quality Problem: Where We Are Now:

1. We don't know enough about the extent of hunger or malnutrition, or the components involved. DHEW is currently completing or undertaking studies -- medical evaluations -- in only eight States. It is already apparent that the situation varies from one geographic area to another -- even within a State. Until we know more about the extent and kinds of malnutrition we are dealing with it is difficult to devise more specific programs to meet the need.

The Quality Problem -- Where We Want to Go:

1. We need more extensive research into the nutritional status of our population. How much of it is a medical or health or sanitation problem as well as a food problem? Testimony by nutrition experts at the extensive hearings conducted by the House Committee on Education and Labor emphasized that the nutritional deficiency diseases of 30 years ago -- beriberi, scurvy and rickets had disappeared as public health problems. Today's problems are more subtle -- requiring clinical diagnosis and a specific determination of the nutritional short-fall. It is not easy to decide whether an individual or a family is suffering from poor nutrition alone or from that plus intestinal parasites that compound the nutritional problem. Are skin diseases the result of poor nutrition alone or poor sanitation compounded by poor nutrition?

2. Above all, we need nutrition education, particularly for low-income groups. If families don't know how to use donated foods or the food they buy with stamps -- if the youngsters fail to translate the meaning of the Type A lunch and breakfast programs into their own dietary habits and patterns, they will simply perpetuate poor nutrition into the next generation. This is particularly true where the very poor are concerned. Instead of improving the quality of their diets, they often prefer to eat more of the same poor diet. More of the same is just not good enough.

As part of the drive to reach low-income families with homemaker and nutrition help, we are putting 1,500 professional home economists and nutrition specialists to the job of training nutrition aides hired from low income neighborhoods to work with low-income families on getting the most for their food dollars. This year we plan to reach 200,000 families in the very lowest income categories, with a goal for 1970 of reaching 400,000 families.

3. In each of five Model Cities, Model Food Programs will be developed in cooperation with HUD. This project is now under way with a Federal team about to visit each of the five cities to explore with the local program Administrator and local groups the steps they feel should be taken to improve the food assistance programs in their Model Neighborhoods. The five cities are, Boston; Athens, Georgia; San Antonio, Texas; East St. Louis, Illinois, and Richmond, California. Judging by the information already provided by some of the Model Cities, there is great interest

in expanding the child nutrition programs and in providing out-reach -- including transportation -- to those who have difficulty reaching an office to be certified and to those who have difficulty in getting their commodities home where there is a donation program.

Meanwhile, we are gaining momentum in our Operation Metropolitan drive to get food service into inner-city elementary schools.

4. We are now launching a pilot outreach and consumer education program, "Food Makes a Difference." This is a cooperative effort involving several arms of this Department, representatives of the food marketing industry, voluntary groups and other private and public organizations. It is an information-action program designed to help low-income families particularly get more and better food through better use of existing resources, through expansion of food assistance to those who need it most and through greater understanding of how to shop wisely and eat well.

To sum up, what I hope we can accomplish here today is to develop a focus and an approach that will build to a national understanding and support for the food programs. We can debate until the end of time the adequacy of existing programs and the question as to why we don't do this or don't do that. I have stated our goals as we see them now, and I think you can appreciate why we need strong grassroots support for these programs. We must enlist the help of State and local governments and tap the energy and resources of national private organizations and agencies to bring continuing support for and participation in these programs.

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THE NEW CHALLENGE TO COOPERATIVES

A co-op friend of mine tells the story of a lifeguard at Atlantic City who heard a drowning woman screaming for help. He swam to her side only to have her grab him around the neck in a stranglehold. He freed himself but then one of her threshing feet caught him in the solarplexus. He reached out and entwined his fingers in her bathing cap and hair. The whole thing came off in his hand -- she was wearing a wig.

In utter frustration he said, "Please, ma'am! Can't you give me just a little cooperation?"

I am here to ask of you not just a little cooperation, but a great deal of it -- to help cooperatives meet a new challenge.

What is the new challenge? Let me illustrate.

One fall day, five years ago, John Taylor, an American from Georgia, stepped out of a plane at the Quito airport in Ecuador. Taylor was the manager of the Walton Electric Cooperative in Monroe, Georgia. He had gone to Ecuador under contract with the Agency for International Development and the National Rural Electric Cooperative Association.

His real destination was a small Ecuadorian town named Santo Domingo de los Colorados -- population about 7,000 -- some 50 miles west of Quito.

Address prepared for delivery by Secretary of Agriculture Orville L. Freeman before Conference Luncheon, International Cooperation Day, State Department, Washington, D.C., October 21, 1968, 12:45 P.M. EST.

What was John Taylor, electric co-op expert, going to do in this frontier-like little city of 7,000 people in far-off Ecuador?

He was going to show the people how to set up, operate, and maintain a cooperative that would bring them something they had never had -- electricity 24 hours a day.

He began by telling them what a co-op could do for them. He went on the radio and told about it in English -- with an Ecuadorian translating his remarks into Spanish. And he sold them on the idea.

Early in 1964 the Santo Domingo co-op began operating -- the first consumer-owned electric system in all of Latin America. It began with a couple of small diesel generators that had never operated more than 12 hours a day, and then only with frequent breakdowns. With these facilities as a base and some equipment from the United States the job was done. By September 1964, the system was working effectively 24 hours a day -- with no breakdowns -- with bills being paid on time.

The complexion of the community started to change. Electric machines began to pump water, cut silage, saw timber, and mill grain. Radios, electric stoves, and refrigerators came into some of the homes. In the town itself well-lighted playgrounds, community meeting rooms, and recreational centers became new gathering places, especially for the young. Small industry which previously had steered clear of Santo Domingo now came in. And people in other communities began asking, "Why can't we have an electric co-op too?"

Today rural electric cooperatives are lighting the way and giving power and new life not only to the people of Santo Domingo and 2,800 farm families outside the city, but to communities in Nicaragua, Columbia, Costa Rica, and other countries.

This example of a small co-op in a small town in a small and impoverished foreign country illustrates some of the new roles, the new challenges, the new opportunities beckoning the cooperative movement today.

The underlying idea of the cooperative is that in union there is strength. The small, the weak, the struggling people of the world wherever they have lived -- and in whatever century -- have naturally turned to cooperation, to pooling their hands and brains and some of their material resources, first for survival and then for growth.

From the very early days farmers in North America -- when what is now the United States was a developing region -- joined together to clear land, build houses, make roads, and harvest crops. As far back as the 1780's they organized societies to import purebred cattle. In the early 1800's they experimented with cooperative marketing. Early in the present century cooperatives were firmly established as a part of the economic system.

Fifty-one years ago the forerunner of our cooperative credit system began with the start of the first Federal Land Bank. A little later came legislation under which the U. S. Department of Agriculture was authorized to provide specific help to cooperatives.

This year farmers in the United States are marketing two-thirds of their dairy products, two-fifths of their grain, and 30 percent of all their production through cooperatives. They are buying one-sixth of their supplies through cooperatives.

Cooperative marketing and purchasing of farm products this year will total \$22 billion. It will add half a billion dollars to farm income. The indirect returns will be larger still.

Our U.S. co-ops are showing that they can meet the threat of competition from industrial corporations entering the farming business. Five co-ops are listed by Fortune Magazine among the 500 biggest U.S. corporations. Sixty-six co-ops have an annual volume of \$50 million or over.

Recently nearly 300,000 farmer grain co-op members in a nine-State area merged their co-ops into a single organization. It is called Far-Mar-Co, with headquarters at Hutchinson, Kansas. Its annual volume of over 200 million bushels places it on a relatively equal footing for bargaining with the biggest buyers.

More than 25 million rural people -- over two-fifths of all the rural people of the United States -- now get light, electric power, and telephone service through the facilities of rural electric and telephone cooperatives.

What I am saying is that cooperatives are an essential part of the U.S. business community. They stimulate the economy and promote general prosperity. They recognize and speak for the individual.

They strengthen democracy -- because they are economic democracy in action.

I suggest to you that cooperatives can do for the developing countries much of what they have done for the United States.

I realize that conditions here are far different than in the emerging countries. But this was not always the case. We were once a developing region, too.

And I would point out that cooperatives, even in 1968 USA, come in all shapes and sizes. The terminal elevator complex that ships Midwestern grain halfway around the world is at one end of the scale. The neighborhood credit union and the small local handicraft co-op are at the other.

In Alabama a couple of years ago, 150 rural women organized a "Freedom Quilting Bee Co-op." In the first year they made 1,000 quilts in their homes or church basements. The co-op sold them and the members averaged \$547 in extra income.

In North Carolina a thousand Macon County farmers whose incomes averaged only \$1,000 per year in 1964 began to market tomatoes cooperatively. They more than doubled their returns and their net incomes.

These examples of progress are not far removed from the possibilities and needs of the developing countries as they seek with grassroots involvement and assumption of responsibility to combat malnutrition, improve their economies, and raise their level of living.

It has often been said that the greatest challenge of our age is to banish hunger from the earth in our time. The catastrophe which could result if we fail to meet the challenge has been clearly indicated.

There is no need to repeat what you already know.

It is important to stress, however, that the developing nations cannot wait. Their economic development must be achieved quickly and the change must be of heroic proportions.

Agriculture is in transition all over the world. It is ripe for a revolution that could be as far reaching in its effects on world levels of living as the industrial revolution itself.

But if this revolution is to succeed, cooperatives must become an increasingly useful -- and an increasingly used -- development tool. That's why John Taylor went to Ecuador. And that's why AID and USDA and people from U.S. co-ops are striving mightily to help the emerging nations set up and use cooperatives.

Cooperatives are almost synonymous with self-help -- and it is self-help that is the ultimate objective in the less developed countries today. So co-ops by their very nature can make a unique and special contribution.

They can -- by self-help methods -- expand credit for small farmers.

They can increase food production by education and training and pooling resources to make new varieties, fertilizer, and other needs available.

They can buy machinery that no one farmer could afford alone.

They can expand markets.

They can obtain better prices by joint marketing.

They can extend electricity into rural communities.

They can spark and finance home building and home improvement.

All this they can do, I repeat, by self-help methods adapted to the resources and capabilities of their own members.

And they provide still other benefits -- intangible but not a whit less important.

One of the great needs of people in the developing nations is confidence that they can build a better life. Nothing more effectively instills this confidence than the practical workings of a successful cooperative.

People in the developing nations need sound, effective leaders. Within each co-op, the seeds of such leadership are present and growing.

There is in every person the desire to be an owner. But most people in the developing nations own practically nothing. A cooperative enables a farmer or a laborer to point to a building, a machine, or a spreading acreage and say, "A part of that belongs to me."

Cooperatives develop from the grassroots of an economy -- they can, so to speak, spring from the soil. They are home-grown and locally owned. Their money stays largely in the home community. Moreover, they bring money into the community. They build plants, maintain offices, buy supplies and services, pay taxes, and spend for other community needs.

They help a community grow. They help a nation grow. They help people grow.

In 1965, the Republic of Bolivia was importing \$2 million worth of wool per year. There was virtually no market for home-grown wool. About this time the Bolivian Government formed a National Wool Commission known as Combofla. The objective was to help Bolivian sheep growers, or camposinos, increase production, acquire markets, and raise their level of living.

Last year the local sheep growers produced enough to supply half of the wool market. Imports of foreign wool were cut to about \$1 million. Next year local growers should be able to supply all the wool Bolivia needs and even begin to export.

With their added income, Bolivian sheep farmers are now purchasing improved breeds of sheep. Cross-breeding of local sheep with an imported breed is increasing the yield per animal from 3 or 4 pounds of wool for shearing to upwards of 9 pounds. The sheep farmers have also begun to buy a few consumer goods. With domestic supplies of wool available, local villagers are reviving their old rug weaving handicraft and this may become a substantial village industry.

The Bolivia Government plans to turn over complete ownership of the Combofla Marketing Association to its members by 1971, at which time Combofla will have paid back all the money made available by the government.

With AID help, credit unions are becoming immensely important in Bolivia as in many other developing countries. Member savings as of June 1968 totaled nearly \$6 $\frac{1}{2}$ million. This may not seem a great deal to us, but it represents a gain of 58 percent over two years earlier when member savings were a little under \$3.8 million. Between June 1966 and June 1968 the number of credit unions in Bolivia increased 77 percent -- membership went up 50 percent, and the dollar value of loans outstanding more than doubled.

Unbelievable as it seems, there are more deposits in the 175 credit unions of Bolivia than in all the commercial banks of that nation.

In 12 Latin American countries there are now about 2,600 credit unions serving more than 725,000 members. Savings invested by the members exceed \$54 million. Again, this may seem trifling by our standards. But these savings are helping to finance agricultural improvement all over Latin America -- from a fertilizer and fungicide program for the farmers of Costa Rica to a wheat improvement program which has enormously increased yields in Bolivia.

They are financing thousands of new or improved homes -- and hundreds of small businesses.

And all of this has been accomplished in six years.

In more than 50 countries of Latin America, Africa, and Asia we are helping to carry out cooperative type programs in agricultural production and marketing, training and education, housing, credit, insurance, and banking.

In Panama, 1,000 farm families are improving their housing and becoming homeowners through a self-help cooperative housing program.

In Uganda, a half million farmers process and market 60 percent of the country's coffee and cotton production through farmer cooperatives.

In India, a \$119 million nitrogen fertilizer plant, cooperatively planned, financed and operated, is in the works. It is expected eventually to reduce fertilizer prices in India by up to 30 percent -- result in an increase in grain output -- and move India toward self-sufficiency in food. Eventually, it will be completely owned by Indian co-ops.

Thus, the cooperative concept is helping to bridge ancient barriers across which people must walk if they are to know a better life.

AID and the USDA together work out programs and plans to help the developing nations use co-ops to build their economies. AID then provides the financing to send abroad trained men from the USDA, the land grant colleges, and the co-ops themselves.

One of our big jobs is to help train co-op leaders in the less developed countries so that they, in turn, can train others. In Brazil, for example, we have set up training schools for co-op managers.

In addition, we welcome to the Department each year hundreds of people from overseas who come to the United States to learn about cooperatives. We not only give them guidance ourselves, we put them in touch with co-op people who show them first-hand how our co-ops operate. Many of these visitors go to the International Cooperative Training Center in Madison, Wisconsin, where they get an intensive training course.

Undeniably, great progress has been made. Do not conclude, however, that we are over the hump in the war against world hunger. Actually, we have only begun.

If we were to compare the struggle against hunger with our U.S. space project of landing on the moon, we might say that our present progress is somewhat like our first manned space flight in May 1961, when Alan Shepard was rocketed into space 115 miles above the earth. This was a beginning but it left us a long way from accomplishing the ultimate objective.

So also in the war against hunger and economic stagnation we have hardly scratched the surface of the need. There is so much more to be done -- and so little time -- and so few hands. And yet, beckoning to us is the greatest opportunity for progress to which mankind has ever been invited. We must seize that opportunity. And we must move swiftly.

We must ask ourselves hard questions -- and demand honest answers.

Are we doing all that is necessary to use our resources, our people, and our time to develop the cooperative idea that is so urgently needed?

Are we doing all that is necessary to find people to run the co-ops -- and after we find them to train them properly?

Are we doing all that we need to do to locate the capital which is one of the biggest needs of the developing countries?

Do we realize that the war on hunger and the race for economic development are simply too big for governments alone -- and that victory cannot be won unless business and universities and foundations and volunteer agencies and cooperatives engage wholeheartedly in the battle?

Investment capital, for the most part, comes not from government but from private enterprise. And private enterprise is also the most efficient and effective mobilizer and manager of technology and resources.

The future demands of us a great deal of imagination and a great deal of cooperation among ourselves. It will take imaginative planning by public and private personnel to induce the capital investment necessary to get the developing countries to the economic take off stage.

One imaginative proposal is the suggestion that an agricultural development corporation might be created which would mobilize the efforts of all interested types of private enterprise.

The bulk of the seed capital for such a venture would probably have to come from government. But the objective would be eventually to pay back the government funds out of the earnings of enterprises started in less developed countries. Agricultural enterprises would be built around the small cultivator. Such cultivators, following the cooperative idea, would be given the opportunity to become landowners or part-owners in the agricultural enterprise in which they are involved. Trained in the art of modern farming, and given the incentive that ownership and economic progress hold out, the farmers of the emerging nations would have real stimulus to double and triple their productivity.

This, in turn, would provide a climate for further capital investment. Indeed, a considerable part of future capital could come from the cooperating farmers themselves.

This is illustrated by the success of the credit unions in Latin America to which I referred previously. The credit union program started in 1962. Today the ratio of savings to dollars invested ranges from 20 to 1 in Ecuador and Peru to 60 to 1 in Bolivia. In other words, for every dollar invested in establishing credit unions in Bolivia, the people themselves have put in \$60 -- and these savings are now available for local, agricultural, business, and personal credit needs.

Admittedly, it will not be easy to bring production and marketing techniques and capital to bear on the problems of increasing food production and laying the basis for economic take off in the **emerging nations**. It has been said that operating on unmapped foreign ground often does not pose "problems to be solved" so much as "mysteries to be lived."

Nevertheless, there are sufficient successful agricultural undertakings already existing in less developed lands to indicate that agricultural development can be an attractive and profitable investment for private capital.

Today for the first time in history, man has the knowledge, the techniques, and the capital to banish hunger from the earth. The question is not whether we can mobilize these resources -- but whether we will.

A world without hunger can be achieved. But it must be a world without hunger -- nothing less will do. Only then can we and our children expect to live in a world truly at peace -- and only then can we expect to have the peace of mind and soul that comes from knowing we have done the best we can with what we have.

Winston Churchill once said: "In the past we have had a light which flickered, in the present we have a light which flames, and in the future there will be a light which shines over all the land and sea."

I believe Churchill was right. I believe it because programs like this are being held. I believe it because people like you are dedicated to the cause of producing a world in which the light of peace and the horn of plenty will be a reality over all the land and sea.

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